

مركز الأخبار

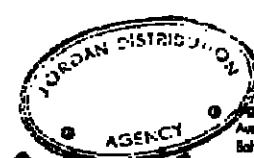


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ESTABLISHED 1887

Seoul Official Quits After Disclosure Of Police Torture

SEoul — The South Korean interior minister, Kim Chong Hoh, resigned Tuesday following the disclosure that a student had been tortured to death while in police custody.

INSIDE TODAY
Boris Becker lost both his poise and his match Tuesday in the Australian Open. Page 15.

GENERAL NEWS
Ireland's coalition cabinet collapsed in a budget dispute and elections were set. Page 2.
BUSINESS/FINANCE
IBM said its profit plunged 48.2 percent in its fourth period, far worse than had been generally expected. Page 9.
Morgan Guaranty's chief executive resigned, a victim of the Guinness scandal. Page 9.



Korean students carry a picture of Park Jong Chol, a student tortured to death by the police. Above, Kang Min Chang, the police chief, one of two officials who resigned.

Iran, Iraq Strike Cities by Air; Tehran Reports Gain on Basra

MANAMA, Bahrain — Missile and air strikes killed more civilians Tuesday in cities in Iran and Iraq, as Iran reported another advance toward Iraq's second-largest city, Basra, on the southern battlefield.

Baker, Tokyo Minister To Meet on Dollar's Fall

By Ferdinand Protzman
International Herald Tribune
FRANKFURT — The dollar turned sharply higher Tuesday on news that Japan's finance minister had flown to Washington for talks with his U.S. counterpart, James A. Baker 3d.

Illegal Drugs Reported Linked to Contra Affair

By Joel Brinkley
New York Times Service
WASHINGTON — Federal drug investigators uncovered evidence last fall that the American flight crews covertly ferrying arms to the Nicaraguan rebels were smuggling cocaine and other drugs on their return trips to the United States.

Republicans Give Helms Rank on Foreign Panel

WASHINGTON — Senator Jesse Helms of North Carolina unexpectedly defeated Senator Richard G. Lugar of Indiana on Tuesday for the post of ranking Republican on the Foreign Relations Committee.

Door Still Open, Deng Declares But Leader Speaks Cautiously of Economic Reforms

By Daniel Southerland
Washington Post Service
BEIJING — Deng Xiaoping, the senior Chinese leader, said Tuesday that China needed to open up further to the outside world, but he seemed less forceful in his advocacy of economic reforms than before.

EC Will Provide Food for Poor in Europe's Chill

BRUSSELS — The European Community will give hundreds of tons of food from its surplus supplies to Europe's needy under an emergency aid plan.

3 Questioned, Released In Palme Investigation

By Juris Kaza
International Herald Tribune
STOCKHOLM — The police have briefly held three men for questioning Tuesday in connection with the assassination of Prime Minister Olof Palme. But before the end of the day they were released because of what Stockholm's chief prosecutor called insufficient evidence.



Kookaburra III Has Clear Sailing Before a Storm Brews in Australia

The crews of Kookaburra II and Kookaburra III celebrated Tuesday in Fremantle, Australia, after Kookaburra III defeated Australia IV a fifth straight time in the America's Cup races.

Have a Smoke, Be Fired U.S. Firm Applies Rule at Home, Too

CHICAGO — Employees of USG Acoustical Products Co. have been told to stop smoking, even off duty, or they will be dismissed from their jobs.



Palestinian Clashes With Israelis on the West Bank

An Israeli soldier arrests a Palestinian in the West Bank town of Nablus on Tuesday. The youth allegedly threw stones at a member of the security detail guarding Defense Minister Yitzhak Rabin, who was meeting with the mayor of Nablus in the town hall at the time. Witnesses said the Israeli soldiers slapped the Palestinian around before taking him to the police station.

European Parliament Elects a Conservative From U.K. as Leader

By Peter Maass
International Herald Tribune
STRASBOURG, France — The European Parliament elected Sir Henry Plumb, a Conservative, as its new president on Tuesday. Sir Henry, the first Briton to win the Parliament's presidency, defeated Enrique Barón Crespo, a Spanish Socialist, on a 241-236 vote in the third round of balloting. There were 16 invalid votes cast and 25 deputies failed to appear for the election.



Sir Henry Plumb

Officials said the five-vote margin marked the closest victory in the Parliament's history. "It has been a nail-biting exercise," said Sir Henry, 61, a farmer. "But it was a very healthy and a very dignified campaign."

Sir Henry, chairman of the Parliament's Conservative group and former leader of Britain's National Farmers Union, was given an ovation by center-right deputies when the election result was announced. He succeeds Pierre Pflimlin, 79, a French Christian Democrat. Mr. Pflimlin chose to forgo a second term in favor of a younger man.

Sir Henry's victory followed a surprisingly hectic race for the presidency of the Parliament. He assumes the largely ceremonial post at the head of an institution that is frequently described as strong on symbolism but short on real power over European Community affairs.

The 518 deputies, elected to five-year terms by community voters, include Robert Hesman, the conservative French publisher, and Alberto Moravia, the leftist Italian writer. There also are a smattering of big-name politicians, although most of the deputies are relatively unknown.

Sir Henry, the favorite, bounced back from a bad showing in the first round. He initially fell behind Mr. Barón after about 50 center-right deputies apparently cast their secret ballots for Marco Pannella, a member of Italian Radical Party.

Mr. Barón failed to get an absolute majority, so voting continued. Sir Henry gained in the second round and achieved an absolute majority on the third try. Many of those voting against Sir Henry, who speaks only English, believed he was not sufficiently European for the job, sources said.

The dissidents also feared he was too close to Prime Minister Margaret Thatcher. Mr. Barón, 42, was characterized as a young, energetic leader who represented "Europeanism." He speaks several languages, is close to

Prime Minister Felipe González, and was an opponent of Franco. Although Mr. Barón enlisted strong support on the left, he failed to gain centerist backing. He apparently suffered from the fact that he has been in the European Parliament for little longer than a year and was appointed to his seat rather than elected.

Spain, which joined the EC with Portugal last year, has not yet organized elections for the European Parliament. They will be held later this year.

Coalition Falls In Dispute on Irish Budget

DUBLIN — Prime Minister Garret FitzGerald's coalition cabinet collapsed Tuesday in a dispute over the budget, making general elections next month virtually certain.

The four cabinet ministers who resigned represent the Labor Party, the junior coalition partner of Mr. FitzGerald's Fine Gael party. They said they could not accept proposed budget cuts that would affect salaried workers and low-income families.

The deputy prime minister Richard Spring, one of the four who resigned, said that the cutbacks that would be required by Mr. FitzGerald's budget "are not just."

"They fail to spread the burden of our financial problems," he said. Finance Minister John Bruton was known to be demanding cutbacks of about \$450 million in social welfare spending. The budget has not been published.

Mr. FitzGerald nominated replacements for the four ministers. He said the foreign minister, Peter Barry, would replace Mr. Spring as deputy prime minister while retaining the foreign affairs portfolio.

The prime minister briefed President Patrick Hillery on the situation, but would not say what his next move would be. The Labor Party's withdrawal dealt the final blow to Mr. FitzGerald's parliamentary majority, which for weeks had existed only on the technicality of a single vacant constituency.

Political analysts and most of Mr. FitzGerald's Fine Gael members of Parliament are expecting an election Feb. 19, nine months ahead of schedule. Besides Mr. Spring, the others who resigned Tuesday were Liam Kavanagh, the tourism, fisheries and forestry minister; Barry Desmond, the health minister; and Ruairi Quinn, the labor minister.

The coalition's collapse had been expected for some time. Mr. FitzGerald was known to be planning the budget as his chief campaign issue against Charles J. Haughey, leader of Fianna Fail and a former prime minister, who has a strong lead in the polls.

The overriding issues in Ireland are the deficit economy, which widened to \$33 billion from \$19 billion under Mr. FitzGerald, and an unemployment level that is a record 18 percent. Under Mr. FitzGerald, inflation dropped to 4 percent last year from more than 20 percent. However, Ireland's economy has shown no growth for five years.

WORLD BRIEFS

U.S. Envoy Blocked Morals Charge

LONDON (UPI) — The U.S. Embassy said Tuesday that an American accused of exposing himself to a girl was allowed to leave Britain without being charged because the U.S. ambassador had refused to waive the man's diplomatic immunity.

The Foreign Office initially had said the man, the husband of a U.S. Embassy employee, had been accused of raping an English girl, but later said the formal charge would have been "gross indecency." The girl's age was not given other than she was of school age.

The 30-year-old man, who claimed diplomatic status as the husband of a member of the U.S. Embassy's technical and administrative staff, returned to the United States with his wife in December 1985. The couple were not identified. The Foreign Office asked Ambassador Charles Price to waive the man's diplomatic immunity so he could be formally charged and prosecuted, but he refused, the spokesman said.

U.S. Said to Shield Contras on Abuses

LONDON (AP) — President Ronald Reagan's administration has helped shield Nicaraguan rebels from charges that they abducted, mutilated and executed civilian and military captives, the human rights organization Amnesty International said Wednesday.

It said the U.S. government had "in general dismissed such reports of abuses as false or grossly exaggerated" while apparently basing its views on information attributed to the U.S.-backed rebels known as the contras. This has "increased the likelihood that abuses continue to be committed," it said.

In a letter sent Oct. 21 to the U.S. secretary of state, George P. Shultz, Amnesty International's secretary-general, Ian Martin, said there were continuing reports of "indiscriminate and often fatal attacks on civilian noncombatants" in Nicaragua.

Widow Urges Lawsuits Against NASA

HOUSTON (AP) — The widow of an astronaut who died in an Apollo spacecraft accident urged the families of crew members killed in the Challenger explosion to file lawsuits, saying NASA and space contractors "don't care anything about you."

"They don't care about me, financially or morally," said Betty Grissom, widow of Virgil I. (Gus) Grissom. Her remarks were contained in a copyright story in the Houston Chronicle on Tuesday. Mr. Grissom was one of three astronauts who died in 1967 when a fire erupted inside their Apollo 1 spacecraft while they were conducting tests at the Kennedy Space Center in Florida.

Mrs. Grissom said she would have received no financial judgment for her husband's death if a Houston lawyer, Ronald D. Krist, had not filed a suit for her in 1972. The suit resulted in a \$330,000 award from North American Rockwell, the prime contractor on the Apollo project.

Fire at U.S.-Soviet Nuclear Station

MOSCOW (AP) — Fire destroyed one of three monitoring stations set up by Soviet and U.S. scientists near the Soviet Union's main nuclear weapon test ground in Kazakhstan, a member of the American team said Tuesday.

The fire near Bayanbulak, about 120 miles (195 kilometers) northeast of the city of Karaganda in northern Kazakhstan, broke out Saturday in one of the four trailers that make up the seismological station. Soviet officials said they believed it was caused by an electrical short in a heater, according to Fabio Simi of the Scripps Institute of Oceanography in La Jolla, California.

Sri Lankan Rebel Is Reported Killed

MADRAS, India (Reuters) — A Tamil militant leader has been killed by a powerful rival group in Jaffna in northern Sri Lanka where Tamil separatists are battling the Colombo government, guerrilla sources said here Tuesday.

They said Mendis, commander of the People's Liberation Organization of Tamil Eelam, was killed last week by the Liberation Tigers of Tamil Eelam, another rebel group.

Uma Maheswaran of the People's Liberation Organization said the incident was part of the Tigers' strategy to eliminate rival rebel groups and establish supremacy in Jaffna.

For the Record

A 15-month economic emergency in Nigeria declared by the military government in 1985 has been extended for two years, the official gazette said.

The White House communications director, Patrick J. Buchanan, said Tuesday that he would not run for president in 1988 because of fear that his candidacy "would fracture and embitter, not unite, the leadership and rank-and-file of the conservative cause."

Prime Minister Jacques Chirac of France picked Jacques Valade, a senator from Mr. Chirac's Rally for the Republic party, on Tuesday as the minister for research and higher education. The former minister resigned after student strikes in December.

The U.S. Republican Party has chosen New Orleans and its Superdome for the party's 1988 presidential convention from Aug. 15-18.

KOREA: Interior Minister Resigns

(Continued from Page 1) national Assembly investigation and the resignation of senior officials following the disclosure of the student's death. It had pressed for a statement from the president.

"President Chun must personally apologize to the people for this," Kim Young Sam, one of the New Korea Democratic Party's unofficial leaders, said Monday.

The opposition has frequently alleged that the South Korean police use torture against persons arrested on politically related charges. In all but a small number of cases, the government has labeled the charges false. The opposition has frequently called unsuccessfully for the resignation of members of Mr. Chun's cabinet.

Two interrogators, Lieutenant Cho Han Kyung, 42, and Sergeant Kang Chin Kyu, 30, were arrested and charged under a law involving special crimes, officials said. A police superintendent, Chun Suk Rin, also was relieved of his duties.

After the death became known last week, the police said Mr. Park died of shock. They formed a special committee to investigate the incident.

Amnesty International, the London-based human rights organization, said in a recent report that it knows of many credible reports of torture in South Korea but only two cases of officials being prosecuted for it.

PALME: 3 Men Questioned

(Continued from Page 1) ly resented the Palme government for having failed to give asylum to one of their colleagues.

Mr. Zeime said charges would be brought against three persons detained Tuesday for complicity in the slaying of a Kurd at a convention hall in Stockholm in November 1985. The gunman in that killing was caught immediately and is serving a life sentence for murder.

The police said a person was being questioned on suspicion of illegal weapon dealings. The prosecutor and Mr. Holmer indicated that this suspect could have knowledge about the gun used to kill Mr. Palme, which has not been found.

Mr. Zeime stressed that the developments Tuesday did not mean there had been any significant advance in the investigation of the Palme case.

The public differences between Mr. Zeime and Mr. Holmer appeared to confirm persistent reports in the Swedish press of serious disagreement between the police and prosecutors on the case.

Mr. Holmer denied that there was acrimony, saying: "We have worked together for nine months and we have had good cooperation. But there is a tug-of-war between the police desire to test theories and the prosecutor's considerations in preparing a trial."

Mr. Zeime took over in May 1986 from K.G. Svensson, who resigned in a dispute with Mr. Holmer. Mr. Svensson's departure followed a disagreement involving a 33-year-old Swede who was arrested and released in March in connection with the investigation.

Mr. Holmer said the police were investigating other leads in addition to the theory that Kurdish extremists were involved.

Bonn Links Kidnapping to Terrorist Case

By Robert J. McCartney
Washington Post Service

BONN — The government announced Tuesday that the kidnapping of a West German businessman in Beirut was linked to the case of a suspected Lebanese terrorist who is imprisoned in West Germany.

The West German press agency DPA and two other news organizations reported that the pro-Iranian, Shiite extremist group Hezbollah, or Party of God, was holding Rudolf Cordes, 53, a chemical company representative. Gunmen abducted him on Saturday.

The reports said that Hezbollah had demanded the release of Mohammed Ali Hamadei, 22, who has been held at an undisclosed location in West Germany since he was arrested Jan. 13 at the Frankfurt airport while carrying concealed explosive materials.

Mr. Hamadei is awaiting extradition to the United States to face charges of murder and air piracy for the hijacking in 1985 of a Trans World Airlines jet. The United States, which has pledged not to execute Mr. Hamadei if he is con-

victed, formally requested his extradition on Tuesday.

The government, which imposed a news blackout on the kidnapping, declined to comment on the reports by DPA, a Cologne newspaper and a Luxembourg television station. The chief government spokesman, Friedhelm Ost, said that publicity could endanger Mr. Cordes's life.

But Mr. Ost, while declining to provide further details, said that the government has received information that indicates a link between Mr. Cordes's abduction and Mr. Hamadei's arrest. Mr. Hamadei previously has been identified as the brother of a senior security official of Hezbollah.

The government of Chancellor Helmut Kohl faces national elections on Sunday.

The Social Democrats, the principal opposition party, offered publicity to help the government in the case. But Social Democratic sources said privately that they opposed extraditing Mr. Hamadei to the United States.

Decision Due on Abdallah

The French justice authorities will decide on Jan. 28 whether to

put the suspected Lebanese guerrilla leader Georges Ibrahim Abdallah on trial for the murder in 1982 of Israeli and U.S. diplomats, court sources in Paris were quoted by Reuters as saying Tuesday.

Mr. Abdallah, believed by the police to head a terrorist group called the Lebanese Armed Revolutionary Faction, is charged with complicity in the shootings in Paris of a U.S. military attaché, Lieutenant Colonel Charles A. Ray, and an Israeli diplomat, Yaacov Baranman.

He also is accused of complicity in a failed attempt on the life of the U.S. consul-general in Strasbourg, Robert Onan Homme, in 1984.

Group Threatens Italy

A previously unknown group calling itself God's Partisans threatened Tuesday to initiate terrorist attacks against Italy for allegedly mistreating two jailed comrades, The Associated Press reported from Beirut.

In a typewritten statement delivered in Beirut, the group identified the two only as Saleh and Abdallah. It did not give their nationalities or the reason for their impris-

onment. Sources in Beirut said the two were Abdallah Doussari and Saleh Al Moazzayen. The sources provided no further details about the two.

The statement, written in flawed Arabic, said the two were being held in the maximum-security Spoleto Prison in central Italy. It accused the prison warden of "mistreating our brethren" and called him "an animal."

Terry Waite, the Anglican church envoy, decided Tuesday to prolong his stay in Moslem-controlled West Beirut after face-to-face, late-night negotiations with kidnappers holding American hostages in Lebanon, sources close to him said.

Mr. Waite, the personal emissary of the archbishop of Canterbury, the Most Reverend Robert Runcie, had planned to take a midmorning flight back to London. But when he returned to his hotel from a meeting with representatives of Islamic Jihad, he canceled his departure arrangements, sources said.

"It looked like he has had a breakthrough," said a source, who asked not to be identified.

Sabotage Is Ruled Out In Death of Machel

Washington Post Service

JOHANNESBURG — A politically sensitive inquiry into the air crash that killed President Samora Machel of Mozambique began Tuesday with the counsel for the multinational investigating commission saying there was no evidence of sabotage or explosion.

Investigators also discounted South African suggestions that the pilot or co-pilot of the Soviet Tupolev 134 twin-engine jet had traces of alcohol in their blood.

They said that the plane, which crashed in South Africa on Oct. 19 near the border with Mozambique, had tried to land at the Maputo airport, about 30 miles (about 50 kilometers) away, in cloudy weather with an instrument landing system that was out of service. Thirty-four of 44 aboard died.

Renier Van Zyl, air safety director for the South African Department of Transport, said the Soviet pilot appeared to have been lost and said that he had "nowhere to go" before the impact.

The outcome of the inquiry, which is expected to take three weeks, is regarded as important because of allegations by leaders of some black African states that the aircraft was brought down by South African security forces either by missile or by electronically luring the crew off course.

Cedric E. Puckrin, counsel for the investigating board, said there was "no question of sabotage," and that evidence collected in a preliminary inquiry by experts from South Africa, Mozambique and the Soviet Union showed a "clear misunderstanding" between a traffic controller in Mozambique's capital and the aircraft radio operator.

With the instrument landing system not functioning, Maputo cleared the plane for a visual approach and the pilot remarked that "something was wrong." Mr. Van Zyl said. The aircraft's voice recorder, he said, showed that the navigator insisted the runway was unlighted even though the tower confirmed it was lit.

After reporting cloudy conditions, according to Mr. Van Zyl, the pilot said: "No ILS," or instrument landing system, "No NDB," or nondirectional beacons, "and nowhere to go." The plane then hit a hill about 200 yards (about 180 meters) inside South Africa.



Deng Xiaoping, right, playing cards with Hu Yaobang, center, in a file photo. Mr. Hu, formerly a close Deng associate, was forced to resign as Communist Party leader.

CHINA: Door Is Open, Deng Asserts

(Continued from Page 1) congresses attending the discussion said that a tendency to neglect, or release control of, the production of grain led to a reversal. They said that a shortage of grain would result in social chaos.

Their words seemed to echo those of Chen Yun, a prominent conservative Politburo member who argued in September 1985 that some peasants were only interested in engaging in rural industries and no longer wanted to grow grain.

Open Letter to U.S.

Douglas Martin of The New York Times reported from New York: As many as 1,000 Chinese nationals studying in American colleges and universities have endorsed an open letter to the leadership in Beijing voicing concern over the removal of Mr. Hu as the Communist Party leader and the disciplining of Chinese intellectuals.

"We feel that the ultra-leftist practice of labeling people arbitrarily and finding faults with others has re-dominated the area of communication, culture and ideology," the letter says.

"We are concerned about the prospect of economic and political reforms in China. We fear the recurrence of the political situation of the Cultural Revolution, in which 'ruthless struggle and merciless criticism' were rampant."

Five Chinese students said in an interview in New York that the letter had been endorsed by 1,000 students from 51 colleges and universities and that 480 of them had allowed their names to be used. There are believed to be more than 10,000 Chinese nationals attending institutions of higher learning in the United States.

The five students declined to be quoted by name or to say where they were studying. They said that to be quoted in the Western press could be more dangerous for them and their families in China than to sign an open letter.

GULF: Cities Attacked

(Continued from Page 1)

Further forward than they were last Friday.

Another source with access to U.S. satellite information said the Iranian Army was still nine miles east of Basra and about two miles from the main Iraqi fortifications defending the port city at Abu Khasib.

But, this source said, the Iranian forces were making steady, if slow, progress in their march toward Basra. Speaking of the Iraqi forces, the source said: "Even if they stop the Iranians, they are going to have a hell of a time dislodging them."

The source said the Iraqis had built a formidable defense system to protect Basra at Abu Khasib, including a dirt wall, at some points 40 yards (about 35 meters) high, with extensive mine fields in front of it.

He said the Iraqis, now on the north side of the Shatt-al-Arab waterway and on a few islands in it, still had to get to the south side and then reach the road leading to Abu Khasib.

Inquiry Into Kuwait Fires

Kuwait began an official investigation Tuesday into fires Monday night at three of its offshore and desert oil sites, Reuters reported.

Officials said privately that the timing of the fires, which broke out virtually simultaneously at installations up to 10 miles apart, indicated possible criminal action.

As a result, intelligence officials from several agencies were asked this month to investigate the matter.

Officials from several agencies said that by early last fall the Drug Enforcement Administration office in Guatemala had compiled convincing evidence that the contra military supply operation was smuggling cocaine and marijuana. The Guatemala office is responsible for El Salvador.

According to the officials, after dropping arms in El Salvador, rather than returning to the United

DRUGS: Contra Affair Reported Linked to Smuggling

(Continued from Page 1)

supply operation and in the Iran arms deals. At that time, Colonel North told the FBI that the investigation would jeopardize negotiations for the release of the American hostages in Lebanon.

Officials also realized that if the new allegation proved true, the White House could be accused of trying to stymie a drug-smuggling investigation at the same time that President Ronald Reagan and other senior officials were carrying out a major, public anti-drug campaign.

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DRUGS: Contra Affair Reported Linked to Smuggling

(Continued from Page 1)

States in empty planes, the pilots stopped on occasion in Panama, a major drug transshipment center, to pick up cocaine or marijuana.

On Oct. 4, a short time after the crew member warned the investigators that he had protection from Colonel North, one of the contra supply planes crashed inside Nicaragua, and a crew member, Eugene Hasenau, was captured by Sandinista troops. As a result, the supply operation folded, and the crew members scattered.

Although the drug investigation was not officially closed, it was not longer actively pursued. "It was not one of the big smuggling rings anyway," a drug enforcement official said.

Colombia Connection

George Lardner Jr. of The Washington Post reported from Washington: The independent counsel for the Iran affair, Lawrence E. Walsh, has received a report, allegedly given short shrift at the Justice Department last fall, of a connection between Colombian cocaine smugglers and Southern Air Transport.

According to sources, a witness told the FBI last summer of having seen a cargo plane with Southern Air markings at an airfield in Barranquilla, Colombia, in 1983.

The informant told investigators that crates of guns were unloaded from the cargo plane and packages of cocaine stored aboard, the sources said.

The same C-123 plane had previously been owned by Barry Seal, a pilot for the Colombian cocaine smuggling ring known as "the Medellín cartel," whose work as a Drug Enforcement Administration informant in 1984 led to federal indictments of the purported cartel leaders. Mr. Seal was murdered in a parking lot in Baton Rouge, Louisiana, in February.

Officials of Southern Air Transport have denied the airline has done anything illegal.

The informant in the 1983 Barranquilla incident, which did not involve the C-123, first volunteered that information to the FBI in July but apparently attracted little notice until the case came to the attention of Senator John F. Kerry, Democrat of Massachusetts.

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ARTS / LEISURE

Lully: A Triumphant Revival

By David Stevens

PARIS — In the great early-music revival of the last two decades, particularly in the realm of 17th-century opera, there has been one conspicuous absentee — Jean-Baptiste Lully, because while Lully is considered the founder of French opera and one of the giants of Baroque opera in general, his operas have been considered too remote from a contemporary aesthetic to perform. For a good two centuries they virtually never have been.

(first the music and then the words) is the classic catch phrase for the Italian approach to opera, but the French way, which lost a lot of ground in the 18th and 19th centuries and has never really recovered, is the opposite. This production of "Atys" should help restore the balance and encourage other stagings of Lully's major stage works.

Furthermore, "Atys" is startlingly modern — a story of an amorous triangle as hot-blooded as anything by Puccini, despite its classical-mythological-allegorical trappings. The goddess Cybele descends to earth on her feast day with eyes only for Atys, who loves and is loved by the nymph Sangaride, who is destined to marry the king, Celenus, of whom Atys is a friend and confidant. Clearly Atys is in a tight squeeze, with predictable results. The goddess, humanly enough, drives him mad. He kills his beloved, then himself, whereupon Cybele remorselessly transforms him into a pine tree.

It is not slighting to point out that this is not strictly a production by the Paris Opéra. The hero is William Christie, the 42-year-old American musicologist and early music specialist, and a professor in his specialty at the Paris Conservatoire. His instrumental and vocal group, Les Arts Florissants, the Baroque dance group Ris et Dancois headed by Francine Lancelot, and an international cast of vocal specialists in the solo parts have nothing to do with the Opéra's permanent troupe. Nonetheless, credit to the Opéra for reviving this work in optimum conditions. Christie, as the re-creator of this musical performance and as its fastidious conductor, was justly hailed by the public. In effect, he has re-invented a musical style long lost and made it convincing and expressive.



"Atys" at the Paris Opéra: a hot-blooded amorous triangle.

Cheek by Jowl With Shakespeare

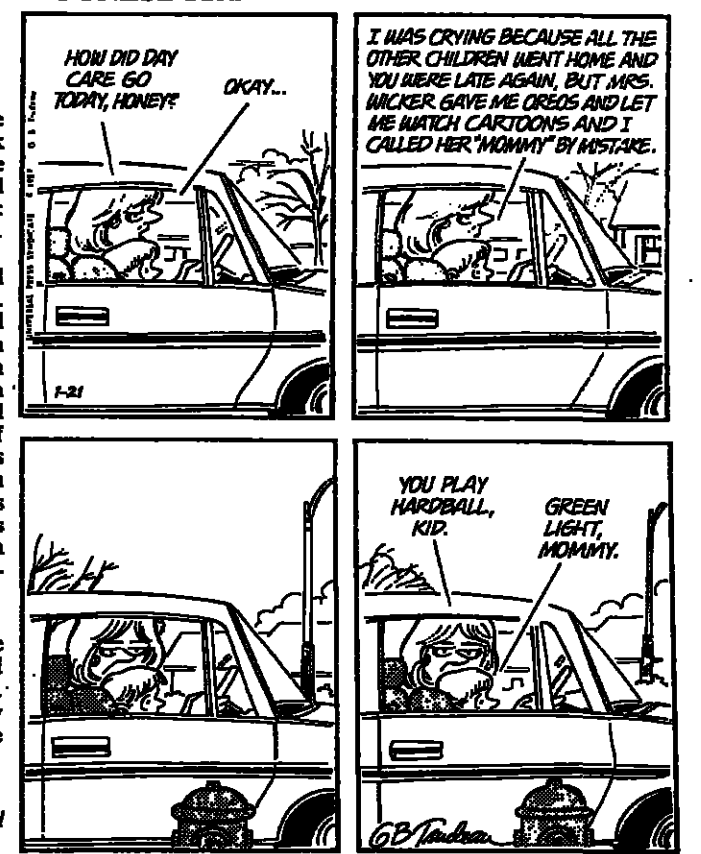
By Robert Cushman

LONDON — The history of the English theater is the history of its Shakespeare productions. At the moment the Royal Shakespeare Company, which does most of them, is becalmed, turning out elaborate but superficial stagings. Meantime the way is open for alternative approaches.

There are two ways that Shakespeare might go. A meticulous, restrained puritanism with the accent on a sort of super-Royal Court style should sit well on large public stages. Or so the National Theatre's "King Lear" suggests. Complementing that is a small-scale method, explored by some fringe groups, one of whom, known as Cheek by Jowl, has opened a season at the Donmar Warehouse with "Twelfth Night."

It through a farcical device that Shakespeare has left lying about, and that certainly fits the play's sexual ambiguity. This production may sometimes try too hard, it may be too complacent about the fact that its actors, in fringe tradition, can play musical instruments, but it frequently hits the play right on the nose.

DOONESBURY



Robert Cushman is a London-based theater critic and broadcaster.



"Twelfth Night": An outrageous staging.

General News

Soviet Mission to South Pacific Is Likely

By Michael Richardson

SINGAPORE — The Soviet Union, seeking better relations with non-Communist countries in Southeast Asia and the South Pacific, is planning to send Foreign Minister Eduard A. Shevardnadze on a tour of the region, according to various official sources.

that he had invited Mr. Shevardnadze, but that no firm arrangements for a visit had yet been made.

Philippines, Singapore and Thailand. In a newspaper interview published Friday, Valentin P. Kasarkin, the Soviet ambassador to Thailand, called for renewed attempts to negotiate an end to the Cambodian conflict.

positive efforts toward a solution" of the Cambodian problem that was acceptable to all parties concerned, including the Cambodian resistance.

Stability Is Watchword In Indonesian Elections

Reuters

JAKARTA — President Suharto of Indonesia is orchestrating a somber buildup to national elections in April and maintaining a tight grip on unofficial campaigning to avoid unrest.

They see the election more as a means of forging a consensus in a country of about 170 million people than of choosing a government.



Suharto

to prevent Indonesia, the world's largest nation of Moslems, from becoming an Islamic state.

Suicide Is Called Cause of Death of Singapore Official

International Herald Tribune

SINGAPORE — A senior government minister who died last year took an overdose of sleeping pills while under investigation for corruption, a coroner's court was told Tuesday.

Advertisement for AT&T USADIRECT service. Text includes: 'USADIRECT. NOW WHEN YOU WANT TO REACH THE STATES, AN AT&T OPERATOR IS ONLY SECONDS AWAY.' It lists phone numbers for the UK, France, Netherlands, and Australia, and provides contact information for more information.

Citizenship

of Authors Dies in Spain



Various small text fragments and headlines from the left margin, including 'Citizenship' and 'of Authors Dies in Spain'.

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

Policy Change in Bonn?

Elections often bring promises of changed economic policy, but not so in West Germany as Sunday's voting approaches. Is this good for West Germany and the world? Is the Federal Republic's policy correct, given the disorder on the exchange markets? Last Sept. 15 in this space we favored giving Bonn the benefit of the doubt, to see if the expansionary visions of Helmut Kohl's government bore fruit. Now the room for doubt has shrunk. Mr. Kohl naturally accentuates the positive, but independent West German analysts are less sure.

The balance of the argument rests, unfortunately, with the pessimists. Domestic demand is not rising enough to offset the depressive effects of falling exports, which is why the flight from the dollar is concentrated so heavily on the mark.

Folk memories are long, and the wild inflation that helped Hitler to power is not forgotten. As the French say, a scalded cat fears even cold water. The electorate is still suspicious of policies that could even remotely reignite inflation. And when a country has prospered so long on an export basis, it is hard for policy makers to see how far they need to change course if the export boom fades.

But policy will have to change if domestic demand is to replace exports as the economy's driving force. The alternative is recession at home and, since West Germany's is a dominant economy, throughout the world. Not that world prosperity depends on the Federal Republic alone. But it is hard to dispute the claim of so many outside observers that European

Germany cannot be started without West German leadership. As in the family bed, nobody can turn till Father does.

Washington calls for lower German interest rates to encourage capital spending in the Federal Republic and a general fall in the cost of money around the world, which would help the Third World debtors. The Bundesbank has resisted, because the money supply is growing faster than planned. Whether the recent monetary growth engenders West German price stability is very doubtful, but the central bank is independent of the government and should remain so.

What the federal government can do is ease budgetary conditions — moving gently in the opposite direction from Washington — at least by bringing forward into 1987 the tax cuts already scheduled for 1988. As elections approach, most countries would already have proposed that option. The fact that West Germany has not may say something about Bonn's difficult relationships with its local governments, which stand to lose revenues. It probably says more about the country's comparative freedom from inflation for so many years. But prudence can decline into fetishism.

It is encouraging to hear the economics minister, Martin Bangemann, and his predecessor, Otto Lambsdorff, concede that next year's tax cuts might need to be anticipated. But that is not a promise — and the strength of Mr. Bangemann and his small Free Democratic Party after the elections remains to be seen.

INTERNATIONAL HERALD TRIBUNE.

Down Goes the Dollar

Concerning the dollar, the week got off to a dismaying start. The exchange rate fell sharply again Monday on the world's markets. While the dollar's present value against Japan's yen and West Germany's mark is not significantly out of line with its actual purchasing value, the question is whether the three governments will, or can, control this extremely rapid fall.

The Reagan administration was right to welcome and encourage this decline as long as the dollar was overvalued. But that is no longer the case — and yet the administration continues to push the dollar lower. It is trying to stave off protectionist legislation in Congress, and it is counting on a low dollar to help American exports and hold down imports. That is exactly what will happen in the short run, but the relief that devaluation promises is very temporary.

Americans need to keep in mind the British experience over the past quarter of a century. The point of the story is that when a country's internal economy is out of balance and performing poorly, dropping the exchange rate is not a cure. Successive British governments tried to spend more on their people than their slow-moving economy could afford, and the consequence was a series of foreign exchange crises.

In the mid-1960s a Labor government tried to hold off imports with a 15 percent tax on them — an idea that seems to be popular currently in Congress. But it did

not work in Britain and would not work in the United States. After further runs on the pound, Britain turned to devaluation.

In Washington there is a common impression that devaluation creates jobs, particularly jobs in manufacturing industries, most of which either export or have to compete with imports. But while the pound fell from \$2.80 to the dollar 20 years ago to \$1.52 this week, employment in British manufacturing has dropped by one third.

The United States has got itself into a bad spot. No government has reliable control over the exchange rates. The flows of private money are too large for that. The dollar's descent in the last two years has been gradual and steady because most foreign investors thought the descent would be limited. Now they have begun to fear that the Americans, like the British earlier, are resorting to devaluation to avoid unpopular internal decisions, starting with serious and sustained reduction of the federal budget deficit. If foreign investors become wary of the dollar, it could fall fast and far. The result, far from a renaissance in manufacturing industry, would be rising inflation, high interest rates and probably a recession. Whether that happens now depends mainly on the world's investors and money managers, as they decide whether it is wise to send more of the world's wealth to America or instead, perhaps, to send it to Frankfurt.

— THE WASHINGTON POST.

A Gun at Ecuador's Head

These have not been democracy's finest days in Ecuador. On Friday, air force commandos seized President León Febres Cordero at gunpoint, holding him until he secured the release of an air force general imprisoned for attempted coup-making.

Now the newly released president is threatened with impeachment for infractions against the constitution and the national honor. Old-fashioned machismo reigns supreme all around. Another new democracy is shown to be just one step ahead of traditional military meddling.

Like its neighbors, Ecuador knows that tradition well, and not just in politics. Ecuador's armed forces have played an important role in the country's economic development. Recent military regimes advanced overdue land reform and promoted development of petroleum resources.

The juntas of the 1970s espoused a moderate leftism, spiced with a populist preference for rapid development. They turned back power to civilians voluntarily, and

perhaps, in the thinking of some officers, reserved a right to intervene yet again.

In 1984, Mr. Febres Cordero, a flamboyant conservative millionaire and apostle of austerity, won a narrow election. For much of his term, opposition parties have controlled the congress. Legislative provocations and executive high-handedness have fed on each other, escalating dangerously. The opposition has the votes to impeach him, but probably not enough to convict.

Washington and Latin democracies rightly express outrage at Mr. Febres Cordero's kidnapping. Democracy's progress in South America is too important to all concerned to subject it to such hot-headed power plays. It will not be more than temporarily secure until civilians learn how to take over not just the formal machinery of governments, but also the responsibility for economic and political development that Latin militaries have long asserted as the natural basis for their political role.

— THE NEW YORK TIMES.

Other Comment

Beijing Hits the Brake

The Chinese leadership has now amplified its reasons for abruptly sacking Hu Yaobang from the top party post. According to his acting successor as party general secretary he had, quite simply, sought to push the pace of political reform too fast.

The catalogue of other errors includes his flirtation with "bourgeois liberalism," for which read Western modes of political behavior, and his relaxed attitude to the student demonstrations. But these are all subsumed in the main charge and they pose the eternal problems of a static regime which tries to reform itself: What is the correct pace, and are not the arguments about it really about whether reforms

should be taken any further at all? The conflict in the Politburo has been going on for some time. It was the students who brought it to a head, and the man alleged to have goaded them on, Fang Lizhi, has been dismissed from the party. Other "intellectuals" are under a cloud. The pace has thus been well and truly checked. Have the reforms themselves?

The leadership says not — not at any rate those which have introduced a freer economy and have proved so universally popular. The tricky part is, though, that the freedoms are not always divisible. How shall people be encouraged to think for themselves in doing their jobs, yet still bow to the authority of the party on politics and ideology?

— The Guardian (London).

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OPINION

In China, as Elsewhere, People Are Born With Rights

By Fang Lizhi

This is the second of two articles from a lecture given at Jiaotong University in November. Mr. Fang is a former vice president at the University of Science and Technology in Hefei. His expulsion from the Communist Party was announced on Monday.

SHANGHAI — It is said that reforms in China depend on the resolve of the top leadership. If the leadership has the resolve, they would push the society forward since they are in the dominant position. But does this mean that if the top leadership lacks resolve, society would stop moving forward?

Of course, the nature of the Chinese system and the traditional morals and values determine that the top leadership plays a very important role. But the problem is that by relying only on the resolve of the top leadership, China cannot hope to become a developed country. If the democracy we are striving for remains one that is granted only from the top, then the democracy that is practiced in our society is not true democracy.

To go further, democracy itself embodies the recognition of individual rights. The society is composed of individuals. This means this right is not granted from above. Rather, men are born with rights. The term "human rights" is taboo in China. In fact it is a very popular term. It simply means that men are born with rights to live, to marry, to think, to receive an education, and so on.

We should think of human rights, liberty, equality and love as a positive historical legacy. We should first affirm this legacy and then strive for democracy. Until then there is no true democracy. We should not place our hope on grants from the top leadership. Democracy granted from above is not democra-

cy in a real sense. It is relaxation of control. Only by striving can we get what we really need. Because of the extremely long history of feudal society in China, plus the wide spread of feudal ideas as a result of the Cultural Revolution, there have emerged many erroneous ideas. Take for instance the relationship between us and government. It is not so much what the government has given us, as it is what we have maintained the government.

The first issue that needs to be clarified is: Who provides whom? Students are told that they should study hard and value the opportunity that the party has granted them. But to say that the right to education is granted by the leadership is a feudalistic viewpoint. In appearance everything seems to have been granted by the government; in reality, it is not the case. From an economic point of view, every citizen pays taxes. And these taxes include the expenses for education. So the opportunity of education is not "granted."

In the developed countries the concept is that citizens are taxpayers to maintain the government. In return, the government uses the taxes to manage things in the interest of citizens. Out of this relationship, the psycho-

logical feelings of the taxpayers are that it is the citizens who maintain the government.

The government can survive only by levying taxes. As a result, the government must serve the citizens. It is not so much whether citizens are permitted to be educated as it is the government that has the responsibility to run schools for citizens. So, too, in China. Every one of us has paid our taxes.

The decisive factor in determining the stability of peoples' lives and the development of the society lies in whether the intellectuals as a group have the awareness of democracy and of themselves to conscientiously strive for their rights. It would be tragic if we did not have this awareness and simply waited for the leadership for their determination.

When I was abroad, I often explained to foreign friends the tragic experience of Chinese intellectuals during the Cultural Revolution. The doors of universities were closed and intellectuals were deprived of rights. These friends then expressed their sympathy, but they were a little contemptuous of Chinese intellectuals, asking me: Why did you fail to express your will? Why didn't you

demonstrate that you were against, not for, the Cultural Revolution?

During the 1950s, idealism prevailed among Chinese intellectuals. That was valuable. But that generation was strongly influenced by the doctrine of obedience. No matter how they were treated, they would work hard without protest.

This attitude is not conducive to our society. One should strive for what's one's own. It is time that we changed the characteristics of the intellectuals of the 1950s.

When China to have another Cultural Revolution, I hope that we would not become the object of sympathy and then be asked: Why have you put yourself in this dilemma again? It would be tragic if China were to repeat this cycle. The intellectuals should demonstrate the strength they possess.

As long as one has the awareness and speaks out in criticism, the effects will be greatly felt. People have been deeply impressed by this awareness since the latter half of 1985. Wasn't it true that a small section would lead to strong reaction nationwide? This proves that we have strength. But the question remains whether you dare to use it. As long as every one of us realizes that the government should give us democracy, not grant us democracy, China will be able to transform the feudalistic ideas and gradually approach modern standards in thinking.

The Washington Post.

For the Sake of Peace, Maputo Merits Support

By Flora Lewis

MAPUTO, Mozambique — A senior Mozambican official answered the general question about his country's direction with a wry smile. "What you in the West used to say about us was never quite right," he said, "and what you're saying now isn't quite right either."

The implication was that despite appearances, Mozambique did not really plunge into the Soviet sphere and model itself after the Russians when it gained independence from Portugal in 1975, and that it has not totally flip-flopped now. But there have been changes — toward an eager opening to the West, much-needed but painful economic reforms, and a desperate struggle for survival in a dangerous neighborhood.

This sprawling country of 14 million, stretched along the east coast of Africa from the South African border to Tanzania, is another example of the complex forces at play in the area and the folly of snap judgments in distant Washington. The Mozambicans' prime concern, as in most of Africa, are to maintain independence, create a nation within the borders inherited from the colonial past, and mobilize an untrained, hungry population to work for development.

The charismatic leader, President Samora Machel, died with many of his cabinet members in the crash of his plane in South Africa last year. Whatever the investigators finally report, many people here will never stop suspecting a plot. But the succession has gone remarkably smoothly, and all indications are that President Joaquim Chissano, formerly foreign minister, is determined to carry on Mr. Machel's latter-day policies of reform and search for balance.

Mr. Chissano is a trim, slight man with a jutting little beard. He looks younger than his 47 years, but he speaks with a quiet humor, a firm sense of practicality and a grasp of international as well as regional issues. This gives him an air of well-established authority.

He likes to talk to visitors on the tree-shaded lawn of what was once the Portuguese governor's palace, explaining that is why it is now called the "presidential palace" with neither embarrassment nor pomp. Nearly 12 years after independence his country is still at war, but now his Frelimo movement, which won the guerrilla war, runs a government fighting guerrillas backed by South Africa.

The guerrillas call themselves Renamo, the National Resistance Movement. They have disrupted an already devastated economy though they do not seem able to control territory, only to increase the economic dependence of Mozambique and its landlocked neighbors on South Africa.

Mr. Machel sought to reduce the threat to the U.S.-brokered Nkomati Agreement of March 1984, in which Mozambique promised to stop the use of its territory for African National Congress attacks against South Africa, in return for a pledge from Pretoria to stop helping Renamo.

It is now evident that South Africa did not stop. One proof is that while Renamo claims that its equipment is all captured from government forces, it has much better communications and, apparently, transport facilities than the government ever had.

But Mr. Chissano says he will continue to respect Nkomati, partly because it makes clear "the source of the conflict in southern Africa," part-



From Moscow, A New Slant On Apartheid

By Colin Legum

LONDON — A leading Soviet theorist has called for a peaceful resolution of the conflict in South Africa and has said that the struggle against apartheid, in its present stage, is not irreversible. More remarkably, he advocates far-reaching compromises to make it easier for the white minority to abandon apartheid and to reduce racial conflict.

These views come from a report to the Soviet-African Conference of Peace, Cooperation and Social Progress in Moscow by Gleb Starushenko, a corresponding member of the Soviet Academy of Sciences. His report contains five suggestions that, in some respects, come closer to the views of President Pieter Botha than to the African National Congress or the South African Communist Party.

He endorses "the program of the anti-racist forces" for not insisting on "a broad nationalization of capitalist property," and lauds the readiness of those forces "to give the bourgeoisie the necessary guarantees."

Second, he suggests that the ANC "work out comprehensive guarantees for the white population that could be implemented after the elimination" of apartheid. Such guarantees, he says, would suit white liberals while neutralizing hard-liners.

His third suggestion is the most remarkable: the idea of a Parliament of two chambers — one based on proportional representation, the other with the right of veto based on equal representation of all four major racial communities. This is close to proposals made by Botha advisers.

Mr. Starushenko points to Kenya and Zimbabwe as countries where whites have been made to feel safe after independence. These countries, he says, show what might be achieved in South Africa by offering guarantees to the white and other minorities.

His fourth proposal is that the post-apartheid state might involve a unitary system with "autonomous components." The form and substance of such autonomy would be defined only after referenda, negotiations and consultations, so that the people's will would be known.

Issues related to the functioning of such a system might be dealt with by a conference involving the government and the "true representatives" of the nonwhite population.

Finally, Mr. Starushenko suggests that a peaceful solution in South Africa might be expedited through international guarantees, with each party selecting guarantors from among prestigious international organizations or individual states.

Mr. Starushenko disagrees with those who cannot imagine a racial society existing in the modern world without discrimination and serious contradictions.

His proposals make sense in terms of Soviet Marxist analysis of the situation. Mr. Starushenko sees a two-stage struggle: Only after the "liberation struggle" has ended apartheid can the struggle for the "national democratic revolution" begin.

Whatever his motives, this approach appears positive — for it discourages the notion that the deadlock can be broken only by increasing the level of revolutionary violence.

The writer, a syndicated columnist, is a veteran commentator on African affairs.

A Risky Game of Chicken Played With the Dollar

By Hobart Rowen

WASHINGTON — The wild downhill ride of the U.S. dollar in the last month, culminating in the current free fall, signals a serious breach in the vaulted international economic coordination carefully nurtured by U.S. Treasury Secretary James Baker.

To put it bluntly, Mr. Baker is again trying to nudge the dollar lower in a desperate effort to shrink an unacceptably large U.S. trade deficit. "They are trying to solve a political problem, the threat of protectionism, by letting the dollar go," snaps a European.

It is what David Hale of Kemper Financial Services calls a "game of chicken." Since Bonn and Tokyo refuse to supply the kind of stimulus to the global economic engine that Washington demands, Mr. Baker is trying to get the job done through the exchange markets.

"That's a very serious, disturbing development," says Henry Kaufman of Salomon Brothers. An added complication is the assumption in the financial world that Paul Volcker, chairman of the Federal Reserve Board, disagrees with the willingness of the Reagan administration to accept a sharp decline in the dollar. "We seem to be showing a divided position on economic issues," Mr. Kaufman told me. "That doesn't instill global confidence in our management."

A corollary issue that may have contributed to the dollar slide was the recent trial balloon floated for monetarist Beryl Sprinkel as a possible successor to Mr. Volcker, whose second four-year term as chairman expires in August.

Europeans, who mispronounce Mr. Sprinkel's first name to rhyme with "peril," panic at the thought of the chairman of President Reagan's Council of Economic Advisors as head of the Federal Reserve. (Mr. Sprinkel pronounces "Beryl" to rhyme with "pearl.") A longtime foe of Mr. Volcker, Mr. Sprinkel does not believe in intervening in exchange markets except on rare occasions when they meet the technical test of being "disorderly."

The new American pressure on West Germany and Japan will

dates a not-so-subtle thrust first made by Mr. Baker last June. If the trade deficit did not come down through expansion of the West German and Japanese economies, he said then, it would bring a further decline of the dollar.

Mr. Baker had predicted in April that the 1985 U.S. trade deficit of \$148.5 billion would slim down to \$125 billion in 1986, and further to around \$100 billion in 1987. That proved to be a highly over-optimistic forecast. Last year's result was in the vicinity of \$170 billion, and the optimists in the Reagan administration do not expect anything better than \$140 billion in 1987.

The exchange markets' evaluation of the situation is that, in the absence of West German and Japanese domestic economic expansion, a 10 to 20 percent further appreciation in the yen and the mark is necessary, in addition to the 42 percent rise since the Plaza Hotel Accord on Sept. 22, 1985.

The current policy disagreement among the major powers is in marked contrast to the cooperative era symbolized by the Plaza Hotel Accord. Then, on that extraordinary Sunday afternoon, with the television cameras whirring and with a smiling Paul Volcker and the other central bankers in attendance, the five powers pledged cooperation. All agreed that the world needed a weaker dollar and a stronger yen and mark.

That spirit has evaporated, despite Mr. Baker's efforts. Another Group of Five session is needed.

The Germans have to resist such a meeting until their elections on Sunday. A hurry-up call before that would suggest a crisis. But a meeting is needed. West Germany and Japan have the room for domestic expansion that would replace the loss of some export markets to be expected from a de facto realignment of exchange rates. They are entitled to an orderly process, not precipitated by a free fall of the dollar. The only way to assure that is to restore the cooperative, consultative mood to which all of the principals pay lip service.

The Washington Post.

Should It Be Iran-Contra-Angola-Gate?

INVESTIGATORS into the Iran-contra affair may find an African connection. Some profits from the arms sales to Iran may have gone to the rebels of the National Union for the Total Independence of Angola, led by Jonas Savimbi. He obtained \$15 million in military aid during a U.S. visit a year ago. This, along with South African support, has enabled him to keep fighting Angola's Marxist government. But he may also have had secret U.S. aid.

Congressional committees are investigating a fund for Afghan rebels said to contain \$500 million in a Swiss bank account. Government sources indicate that this fund may also have been used to support UNITA. If any of this money was sent to UNITA before August 1985, such aid would have broken the law. That is when Congress repealed the Clark Amendment, which, since 1976, had barred aid, overt or covert, to Angola's warring factions.

Illegal aid may have been delivered to Mr. Savimbi by a U.S. airline that flew to and within Angola hundreds of times before August 1985 — Southern Air Transport, which also carried out supply missions to the Contras. Southern Air apparently has been uniquely able to fly into areas of Angola where UNITA operates. If the planes brought aid to Mr. Savimbi's forces before repeal of the Clark Amendment, it would be a serious breach of law.

— Sanford J. Ungar and Arnold Kohan, in The New York Times.

Liberia Through Rose-Tinted Glasses

SECRETARY of State George Shultz praised the brutal regime in Liberia during a visit there this month. The government of President Samuel Doe, he said, is making "genuine progress" toward democracy.

"There has been a return to a government produced out of an election, and there is freedom of the press." That is a gross distortion.

Almost from the moment President Doe seized power in 1980, his soldiers have been a law unto themselves, responsible for looting, arson, flogging and arbitrary arrests. Witnesses have described horrific brutality, including castration and disembowelment of suspected rebels.

Perhaps Mr. Shultz wished to encourage a friendly country where the United States has a large investment. Unfortunately, he chose to highlight three areas in which Liberia has an especially egregious record.

He said the 1985 election was "quite open" and the "only question" was about "the vote counting process." The election was judged fraudulent by nearly all independent observers. Two opposition parties were barred from participating, and prominent opposition leaders were jailed. A military edict effectively outlawed criticism of the government.

Mr. Shultz's assertion that there is a free press is bewildering. Journalists have been among the most frequent victims of President Doe. Under martial law, journalists were arrested, jailed without charge and physically abused. A new constitution has brought little improvement.

In November 1985, a broadcast journalist, Charles Gbonyon, was beheaded to death while in the custody of the executive mansion guard.

Secretary Shultz lauded "genuine progress" toward democracy. In fact, official actions have suppressed political dissent. Opposition parties have been barred, at gunpoint, from staging public rallies.

Mr. Shultz's remarks undermine U.S. interests by casting America as an apologist for an unpopular regime. A year ago, both houses of Congress passed nonbinding resolutions calling for a suspension of aid until free elections are held. Now may be the time for Congress to make those resolutions binding.

— Michael Posner, executive director of the Lawyers Committee for Human Rights, in The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: The Market Week
NEW YORK — The unusual easiness of money was responsible for the sharp rise at the close of the market week. The broad market has been particularly good. It is significant in showing the state of business that with the Steel Corporation working practically every available unit and being paid for prompt deliveries for the first time since 1907. Specifications against existing contracts are heavy, the Steel Corporation booking in excess of 70,000 tons daily. The outlook in the West is improving, wheat. Conditions in the South are unsettled, bad weather and bad roads holding up deliveries of cotton. The action of the new tobacco shares charges much adverse criticism and distrust of manipulation.

1937: FDR Inaugurated
WASHINGTON — Franklin Delano Roosevelt, in his second inaugural address, pledged himself [on Jan. 20] to the further reform of aid to the underprivileged and issued a warning that, with the new prosperity, self-interest and economic irresponsibility had reappeared. He stressed that the Administration had made the exercise of power more democratic, "for we have begun to bring private autocratic powers into their proper subordination to the government of the people." "Our progress out of the depression has been obvious, but we want no patchwork job," he also said. "We are obliged, not only to follow a pathway constructed on new methods of social legislation, but also to build on old foundations, a more enduring structure for the use of future generations."

OPINION

A Buchanan Presidency? Nary a Ghost of a Chance

By William Safire

WASHINGTON — Far be it from me to put the kibosh on Pat Buchanan's possible run for the presidency, but it is better that the secret come out now: Conservative True Believers should know that he is a member of the Judson Welliver Society.

This group is made up of the Establishment men and women who have written speeches for presidents during the last eight administrations. It is named after the first White House speechwriter, Judson Welliver, who was responsible for the reputation for eloquence held by Calvin Coolidge.

The ghostly society has conservative window dressing like the Eisenhower writer Bryce Harlow and the Nixonian Ray Price, but its roster is shot through

with such known liberals as Clark Clifford, Richard Goodwin, Harry McPherson and Arthur Schlesinger Jr. In the besmirchments of a primary campaign, it would be leaked that Pat Buchanan has sipped with the likes of these people.

Why do I rat on my old Nixon colleague this way? Because President Reagan's combative (no story can be written about Pat Buchanan without the adjective "combative") director of communications is thinking about seeking the Republican nomination in 1988.

If a Buchanan candidacy were to develop, he could expect no quarter from the left, whose direct-mail fund-raisers are in desperate need of a bite no one wearing a marine uniform — or from the far right, which insists on the most rigid standards of associational as well as ideological purity.

In the Nixon years, he was the coiner of such phrases as "instant analysis" and "the new federalism" and emerged from Watergate not only unbesmirched but strengthened. Pat was also the brains behind many of the alliterative barbs of Vice President Spiro Agnew ("pusillanimous pussyfooters" and "vicars of vacillation" were Pat Buchanan's; "nattering nabobs of negativism" was mine) and he survived the fall of that noble-contender clayfoot.

In the Reagan fall from grace, he has sailed out from the White House bun-

ker to lash back at this administration's tormentors and to castigate its sunshine soldiers. His friends fear that Pat — as civil in private as he is savage in public — has become type-cast in this role on the ever-burning deck.

Should he run for president? The argument for taking the plunge is that he would galvanize and bring out the True Believers, ignite a national debate with a mediagenic version of "a choice, not an echo," and polarize the opposition.

The argument against is practical: It would further split "the Movement's" ranks. Former Senator Jack Kemp, who has a chance of winning a national election, now has much of the activist right's support, but some of that strength may be drained by the televangelist Pat Robertson. A Buchanan crusade would undercut Mr. Kemp, which is why Vice President George Bush and Senator Bob Dole are hoping Pat will dive in.

As he prepares to leave the White House, Pat Buchanan is asking himself if his candidacy would serve the right or split and wreck it. At 48, his lifetime spent in advocacy, he does not want to be the instrument delivering the nomination to a pallid centrist, or be the one who denies the Republican right a nominee with a fighting chance of winning the election.

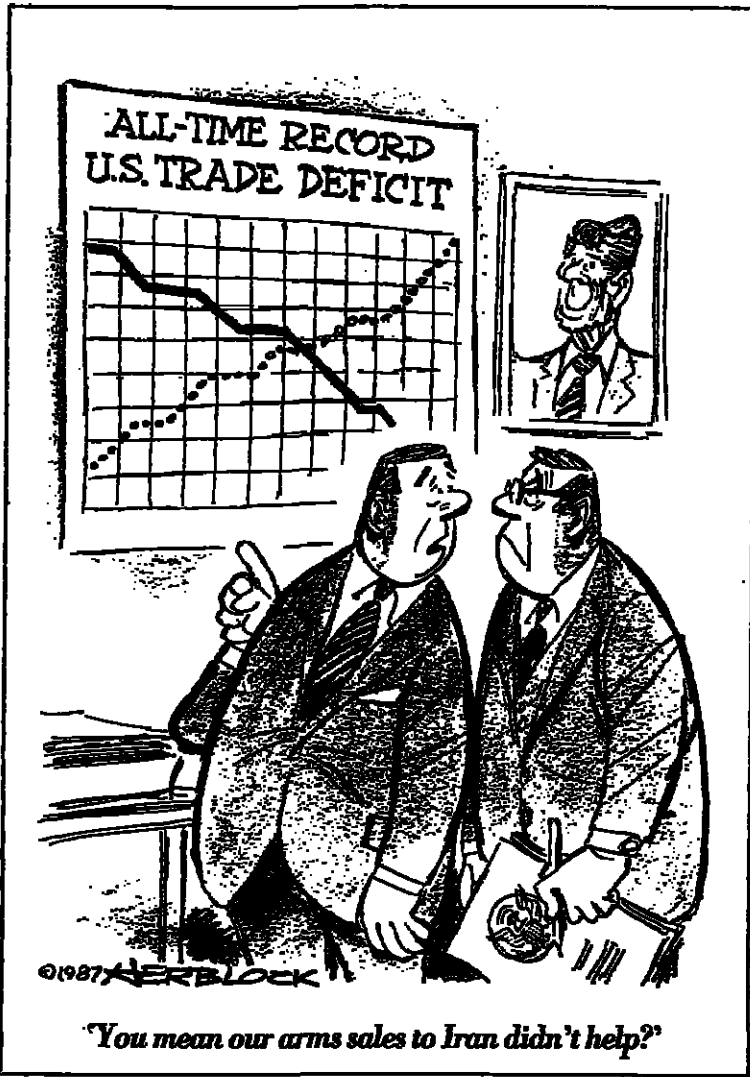
From here on the sidelines, I can say the more the merrier. At the start, let Messrs. Bush, Dole and Kemp be joined by Howard Baker, Alexander Haig, Jeanne Kirkpatrick, Pat Buchanan, Ricardo Montalban, Donald Rumsfeld and as many ministers-in-make-up as feel the call. The political spectrum is not as neatly calibrated as psephologists say; in the crucible of the primaries, leadership can be forged and a party reinvigorated. If a Buchanan platform features a genuine flat tax, an end to farm subsidies and a pullout from the United Nations, let us examine his ideas.

But most people in "the Movement" today are not on the sidelines. Between the time of Barry Goldwater and the era of Ronald Reagan, a sea change has taken place in conservative bosoms: The death wish has been replaced by the win wish. The right is not fated to sink gloriously with principles uncompromised; its activists seek a true-enough believer who tucks them on without turning everybody else off.

My hunch is that Pat will take a provocative look around and then disappear the effete corps of salivating editorialists. He may decide he can do more to advance the Movement on the air than on the hustings.

It would have been nice, though, to have a Judson Welliver Society dinner in the State Dining Room of the White House with the president ghostwriting his own speech.

The New York Times



Rich Merchant, Beware Samurai Debtor

By Naohiro Amaya

TOKYO — Japan's heavy export of capital to the United States, in loans and direct investment, reminds me of Gohbei Zeniya, a wealthy 19th century merchant ruined by his debtors.

Zeniya amassed a fortune from coastal shipping and became banker to the Kaga fief, making huge loans to the clan government and samurai officials. In 1849 he was authorized to drain and reclaim marshes for commercial development, but local fishermen objected.

When fish in the marshes suddenly died, Zeniya was accused of poisoning them to forestall opposition. The merchant and his family were arrested by the Kaga authorities. Zeniya died in prison as a result of torture, one son and a chief clerk were executed, and the fief confiscated his entire fortune. All debts to the trader were canceled.

The incident remains shrouded in mystery to this day. The standard interpretation is that Zeniya and his family were set up because Kaga fief could not repay its staggering debts. It was not uncommon for indebted samurai to ruin merchants they owed money to.

Japan has a \$90 billion surplus in international trade. It loans more than \$33 billion a year to America through purchase of U.S. Treasury notes and public bonds. And it has a net overseas credit balance of about \$130 billion.

The U.S. trade deficit in 1985 reached an all-time high of \$148.5 billion. Forced to borrow extensively from Japan and other countries, Washington now owes foreign creditors more than \$100 billion. By the 1990s, U.S. external debt is expected to reach \$1 trillion.

Japan has only limited, defensive armed forces; the United States is a military superpower. Merchant Japan's

result will be greater balance-of-payments surpluses and capital outflow.

The more the government puts its financial house in order, the more the private sector will invest in America. The banking and investment community will shift from Japanese government bonds to U.S. Treasury notes. Which is preferable for the national economy?

With present policy, the Japanese government is like the person who cleans up his yard by throwing the trash into his neighbor's yard and then brags about being a responsible home owner.

A healthy economy requires brisk domestic demand, not cutbacks in government spending. Much needs to be done in Japan, yet public works projects go unfunded and the people's savings are invested in U.S. Treasury notes! Talk about voodoo economics. Am I crazy, or is it the people who chant "fiscal soundness" who are deluded?

I am not advocating massive pump priming to stimulate domestic demand. I favor privatization of the national railways, reduction of the subsidy paid to rice growers, and higher fees for national health insurance programs.

But the government has clamped a ceiling on all spending except defense and foreign aid. This is counterproductive. Policy makers must discard shibboleths and take a fresh look at Japan's dilemma. Zeniya surely wished he had reassessed that reclamation project.

The writer is president of the Japan Economic Foundation and a former vice minister for international affairs at the Ministry of International Trade and Industry. This article, from the Tokyo Foundation, was distributed by the Asia Foundation's Translation Service Center in San Francisco.

LETTERS TO THE EDITOR

Marxism and the Market

Some of the articles you have published on changes in Soviet society under the new leadership raise valid points, though most of them are animated by a desire for a "de-communization" of the regime. I do not myself discern any evidence whatsoever that the foundation of the Soviet state — its system of ownership — is likely to be affected.

What I do observe, as a Soviet citizen living in the West, is the initiation of long-term policies designed to democratize society so that every citizen can have a say in the running of the state. People's attitudes change slowly, but this change will occur in the U.S.S.R. Its rate will depend on how people respond to the call for greater effort and discipline, but also on material incentives coupled with a moral regeneration of life, the opportunity for public discourse, and the presence of external stability.

In my opinion, one of the most effective instruments for improving society (both national and international) is the strengthening of the rule of law. Ronald

Tiersky, in "Can the U.S.S.R. Alone Be Unchanging?" (Jan. 6), asks: "Could a rule-of-law system be built up from inside communism?" This is precisely what I believe is happening.

New laws are being enacted and published for all to read. Without wishing to idealize the situation, I expect that strict enforcement will tend to constrain bureaucratic arbitrariness, which has been a real curse. Administrative rules are likely to be increasingly derived from, and anchored in, legal dispositions.

Mr. Tiersky is concerned about the liberty under the Soviet system "to buy, sell and produce." Such a "liberty" has long existed with respect to the disposal by the individual members of collective farms of the produce of their small privately managed plots at market prices in the city "bazaars."

Now the trend is for the collective farms themselves to sell their surpluses to the towns at lower market prices, economically a much more sensible arrangement, and one which seems to work.

Other outlets for private initiative have been legitimized, mainly in the ne-

glected service sector. Market-oriented arrangements, combined with decentralization and greater autonomy for enterprises, can be expected to bring efficiency to the economy, help regulate consumers' choices and provide flexibility in foreign trade operations, including joint ventures with capitalist firms.

The elevation of the market to the status of superarbiter has become an article of absolute faith among some economists and politicians in the Western world. Surely the many able and knowledgeable Western analysts of Soviet affairs must realize that this kind of market ideology and reality is alien to, and inconsistent with, the Soviet system.

EVGENY CHOSSUDOVSKY, Geneva.

citizen of the world, the New York Stock Exchange did less well than others in 1986. If you imagine a world currency, the American shares would doubtless have gone down. Calculations based on movements in currency rates would probably show that for New York to have the same performance as other stock exchanges, the Dow Jones index would have to be above 2,500. "Biggest-ever party?" Rather, for a citizen of the world, a bad year in New York.

ERIC WILEMANS, Brussels.

Pawns With Noble Motives

Mike Royko, in the opinion column "Against the Yellow Ribbon Syndrome" (Dec. 2), proposed that the United States "stop assuming responsibility for private citizens who choose to expose themselves" to danger. Peter Adams (Letters, Dec. 12) took it one step further, stating that "Americans who insist on going to trouble spots for private reasons get what they deserve."

As an American expatriate I accept

the responsibility for my own actions. However, it is disconcerting that if I were to become the victim of a terrorist kidnapping, it would likely be in retaliation for misguided U.S. policies to which I have never subscribed. The clergymen and educators who have been pawns in Lebanon were doing more to promote friendship and genuine American interests than any U.S. government official.

If Mr. Adams should find himself on a hijacked airliner in possession of the wrong passport, is this what he deserves?

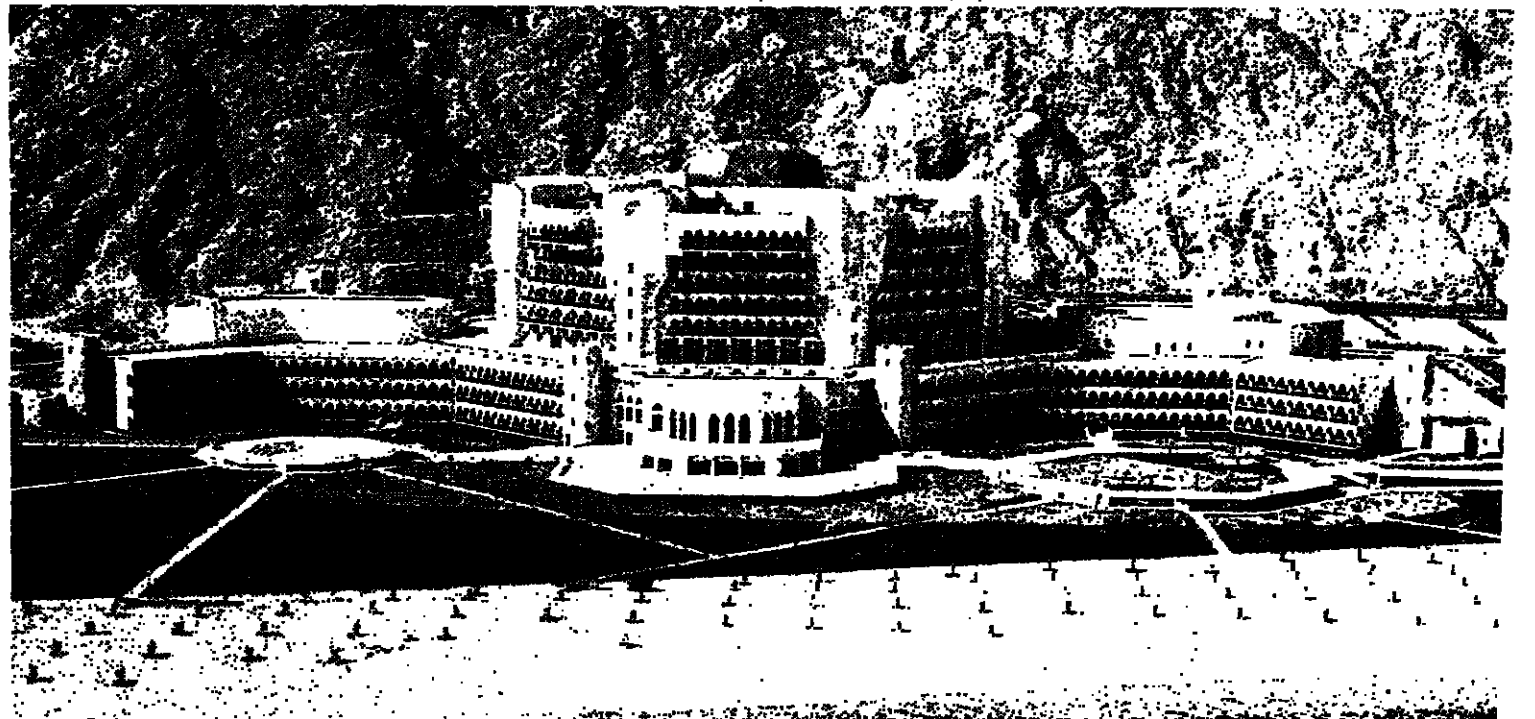
MARK HENDERSON, Maroua, Cameroon.

More Goodman, Less Safire

Ellen Goodman's opinion column, "After a Disaster, the Blame Goes to All but the Humans" (Meanwhile, Jan. 14), was excellent, as they almost always are. I wish you would carry her columns more often. They are certainly more interesting than those of William Safire, for example, which you carry regularly.

BARRY CHILDERS, Geneva.

In some of today's top hotels, Philips five star technology increases efficiency and further enhances guest facilities. For example, at the beautiful Al Bustan Palace hotel-operated by Intercontinental Hotels Corporation - in Oman, for which we supplied a number of special technical systems. Ranging from computerised telephony and room management, through guest room communications and audio/video programme distribution, right up to complete congress and lighting systems. In many cases we tailored our systems to meet this hotel's own, exacting requirements. And our project management skills ensured that completion was right on schedule. Equally impressive are the extensive communication services at the New Sheraton Hotel and Conference Centre in Harare, Zimbabwe and in many major hotels in the Far East.



Philips - five star technology for hotels.



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PHILIPS

Philips Corporate Marketing Communications, Eindhoven, the Netherlands.

WEDNESDAY, JANUARY 21, 1987

INTERNATIONAL MANAGER All Work, No Play Becoming The New Way in Europe

By SHERRY BUCHANAN International Herald Tribune LONDON — With the internationalization of financial markets in London and the introduction of new financial products in Paris, European executives are working longer hours. Increased international competition along with opportunities to make more money are starting to change European business from a nine-to-five culture to an around-the-clock one.

According to a recent survey of 112 British financial institutions by MORI, the London polling organization, 36 percent of financial managers said only work habits could succeed. Of those surveyed, 73 percent said they worked more than 46 hours a week, 44 percent said they worked more than 50 hours, and 23 percent said they worked more than 55 hours. The London Stock Exchange now opens at 9 A.M., an hour earlier than before. Chemical Bank in London is planning to install nap rooms for late-staying bankers. City law firms maintain 24-hour clerical and secretarial staffs to help corporate lawyers working through the night.

"I get into the office at 7:30 A.M., eat one of those awful Founders at my desk and stay until about 8 P.M.," said Anthony Williams, a salesman with Scrimgeour, Wickers & Co., the London stockbrokerage. To Mr. Williams, 12-hour days are worth it. He earns a six-figure salary, has a house in the smart Chelsea neighborhood and a cottage in the Cotswolds, in Switzerland, a second home and a car.

"International clients expect you to know a lot more than what you knew about before," said Alexander Moores, 28, an institutional equity salesman in London, who has also worked in Brussels and New York. "It is part of the service you are giving if you want to remain competitive." "I think people are working much later hours in Paris than they are in New York, for instance," said Philippe Toussaint, 39, who has just been named deputy general director, or No. 2, at Crédit du Nord, one of France's largest banks.

Mr. Toussaint, a graduate of the prestigious Ecole Nationale d'Administration, works 12-hour days and rarely sees his children during the week. Once the right schools and the right connections were enough to ensure success, he said. But today, "you have to earn everything you get."

SOMETIMES, executives say, timing can be more important than sleep. "In any deal, speed is of the essence," said Alec D'Janoff, a partner with Cooper & Lybrand in London, who crossed the Atlantic seven times in nine weeks recently to complete the management buyout of Parker Pen Co. from Manpower, one of the world's largest temporary work agencies. On a typical trip, Mr. D'Janoff would fly from London to New York on a Tuesday evening, continue on to Chicago and Milwaukee, and return to London by 9 A.M. on Thursday to be ready with a proposal by that afternoon, the start of the American business day.

"The faster you move on something," he said, "the more you have a leading hand. Perhaps people in the United States expect people from London to move slower. But there are more and more people around who do move quickly."

If breakfast meetings have become a necessity in many European cities, in Paris they have become downright fashionable. "Power breakfasting is part of Le Look," said Marc Lamy, with Korn Ferry International, the executive search firm. Favorite spots include the Cillon, Bristol and Plaza Athénée hotels. "Breakfast meetings are reflective of an unmarket lifestyle just like driving a BMW equipped with a car phone and hunting in Sologne on the weekend."

In London, fashionable restaurants such as Chez Gerard are now open for breakfast and High Table Ltd., a caterer for investment banks, says its clients often request that meal. Even the staid Institute of Directors in London has started a breakfast service for its members. But some very successful hard-working European managers are not about to stretch their business days to dawn past dusk.

"I never have breakfast meetings in London," said Jennifer d'Abu, the energetic chairman of Ryman Group, the British retailing group. "Early morning is the only quiet time of the day when the phones don't ring and I can catch up with correspondence and reading." Mrs. d'Abu said she only sets up business breakfasts when she is traveling in the United States. Others warn that long hours aren't the only measure or means to success. Said Mr. D'Janoff, "It's what people produce that matters."

Top Aide Resigns at Grenfell

Guinness Case Claims 2 More

Compiled by Our Staff From Dispatches LONDON — The chief executive of Morgan Grenfell Group PLC and a director have resigned as a result of the scandal surrounding Guinness PLC, the investment bank announced Tuesday. Christopher Reeves, the chief executive and deputy chairman of the board, and Graham Walsh, a board member and head of corporate finance, stepped down after an internal inquiry into the firm's role during the controversial Guinness bid for Distillers Co. last year. Morgan Grenfell acted as Guinness's financial adviser in the takeover battle.

The giant brewer admitted last week that it illegally repurchased its own stock through Switzerland's Bank Len, apparently to raise its price and improve its chances of defeating a rival bidder, Argyll Group PLC, for Distillers. Guinness's bid was in stock and cash. Morgan Grenfell said the latest resignations were "in light of breaches of established procedures and policies which were identified in the course of... the internal investigation."

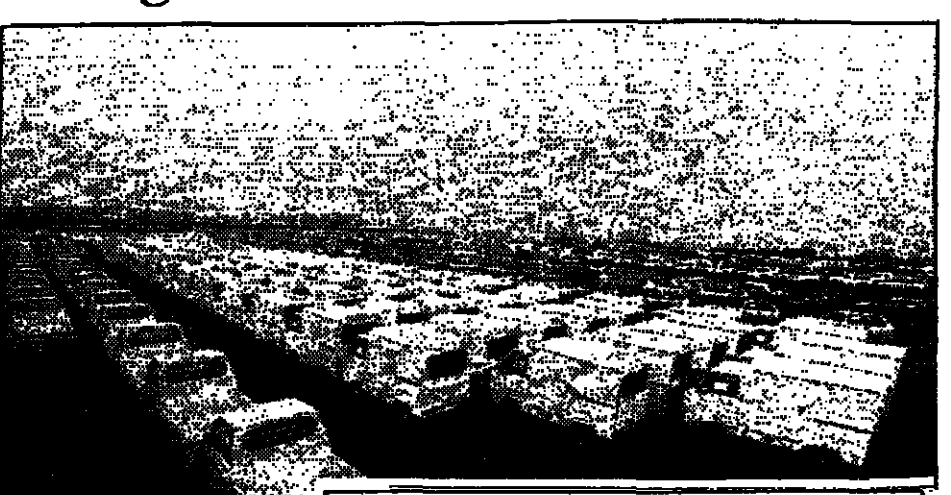
The resignations continued what has become London's worst financial scandal in years. It began in December when government inspectors from the Department of Trade and Industry began investigating Guinness's conduct in its £2.7 billion bid (\$4.1 billion at current exchange rates) for Distillers. A Morgan Grenfell takeover specialist, Roger Seelig, resigned Dec. 31. A member of a separate board of the unit Morgan Grenfell & Co., Mr. Seelig represented Guinness during the Distillers battle.

Other casualties included Guinness's chairman and chief executive, Ernest Saunders, who was dismissed last week. In addition, Olivier Roux, a Guinness director for finance, has resigned along with another Saunders associate, Arthur Firth, the chairman of Bank Len. The Guinness board also asked a director, Thomas Ward, to resign.

Morgan Grenfell said Tuesday it had formed an interim committee to manage the firm under the direction of Sir Peter Carey, an executive director. (AP, Reuters)

Swiss Begin Investigation The Swiss Banking Commission said it would examine whether Bank Len's purchase of nearly 5 percent of Guinness's stock last year was legal. Reuters reported from Bern on Tuesday. The commission said Bank Len would be asked to present all necessary documents and provide further information for the examination.

Strong Yen Breaks Textbook Rules



Honda vehicles destined for export fill a vast lot in Suzuka, Japan.

U.S. Learning A New Lesson About Prices By Jonathan Peterson Los Angeles Times Service LOS ANGELES — Bob Miller, a vice president of Radio Shack, recalls the jittery days at the company last year as the Japanese yen soared higher and higher on international markets while the dollar sank like a rock. "I was panicked," said the executive of the retailer, which relies on low-priced suppliers from Japan and other countries for the electronic gadgets it sells throughout the United States. "We were just devastated. We didn't know what would happen — but not very much did happen."

U.S. executives and government officials expected the higher-valued yen to make products from Japan much more expensive, thereby giving import-battered U.S. factories a boost. Consumers would find it cheaper to buy American. Companies that had benefited from inexpensive Japanese products — like Tandy Corp., which owns Radio Shack — would bear part of the burden. According to the textbooks, it had to happen. But it has not.

The experience at Radio Shack, where Japanese price increases on semi-conductors, switches, transistors and other parts have been relatively insignificant, symbolizes a painful lesson only now being absorbed by U.S. industry. International competition in the 1980s has become so ferocious that foreign producers are prepared to slash their profits — even swallow losses — to keep their customers. They also are tightening their belts and producing products at even more competitive prices. What this means is that selling U.S.-made products at home and abroad is a tougher challenge than many envisioned. As a result, the widely held view that a weaker dollar can cure America's imbalance in trade with Japan and other nations is now being questioned, even as the dollar plunges on world markets. "It's like grabbing the horn to stop a bull," said Gilbert Benz, an economist with A. Gary Shilling & Co. in New York. A Department of Commerce trade analyst acknowledged that the Reagan administration's currency policy has yielded disappointing results so far. "To be honest, we really

IBM Says Profit Plunged 48.2% In 4th Period

Compiled by Our Staff From Dispatches ARMONK, New York — International Business Machines Corp. said Tuesday that its fourth-quarter net income plunged 48.2 percent to \$1.39 billion, much more sharply than had been expected. It added that it saw "no definitive sign of demand improvement in worldwide business operations at this time."

The world's largest computer company said it expected the slump to continue through the 1987 first quarter but affirmed its optimism. Digital Equipment Corp. unveiled two mainframe computers. Page 11. about long-term prospects for itself and the industry. In the final 1985 quarter, IBM earned \$2.68 billion, or \$4.36 a share. The poor fourth-quarter earnings, equal to \$2.28 a share, forced down annual net for the second consecutive year, the first back-to-back decline since the 1930s.

IBM said it earned \$4.79 billion, or \$7.81 a share, last year, off 27 percent from 1985 earnings of \$6.56 billion, or \$10.67 a share. Revenue for the quarter fell about 1.2 percent to \$16.95 billion from \$17.16 billion a year earlier. Analysts' predictions of IBM's fourth-quarter earnings had fallen steadily in recent weeks to an average \$2.61 a share. But the actual figure was worse than almost anyone had expected. In fact IBM's stock jumped \$5.25 a share Monday on speculation that forecasts had been too pessimistic. The bad news set back the entire Dow Jones industrial average for a short time Tuesday. IBM slid \$2.25 to \$123 in active trading on the New York Stock Exchange.

Analysts said that in addition to weak capital spending among IBM's biggest customers, the company has been pummeled by other personal computer makers and by competition in the midrange from Digital Equipment Corp. As IBM has floundered, DEC's fortunes have soared. Just last week, it announced a 98 percent jump in net income for its second fiscal quarter to \$270 million. "1986 was a difficult year for IBM," John F. Akers, the chairman, conceded, and he blamed the problems on "sluggish capital spending in North America, moderating economic performance in some non-U.S. countries, and unsatisfactory levels of demand for parts of our product line." IBM said 1986 sales rose 2.4 percent, to \$51.25 billion, from \$50.06 billion the year before. But it said, the falling value of the dollar added \$4.36 billion to the 1986 figure. Julian Mearns of Pershing & Co. in Chicago said the currency-exchange gains probably accounted for about \$1 a share in full-year earnings. Net foreign earnings edged up 4 percent for the year to \$3.19 billion, while foreign sales rose 20 percent to \$25.89 billion. IBM took a number of steps last year to improve profitability, including cutting 5,000 American jobs through early retirement and reducing inventories and expenses. Profit was hurt by a one-time charge of \$250 million to cover early-retirement incentives. IBM did not disclose other one-time costs associated with relocating employees and closing a plant. Glenn Powers, senior analyst with Northern Business Information Inc. in New York, said IBM faces tough choices if it wishes to preserve its longstanding policy against layoffs. "That policy is pressuring them in terms of profitability," he said. "They're going to need 10,000 to 20,000 fewer employees to get their profits back up." (AP, UPI)

Currency Rates

Table with columns for Cross Rates and other currency rates. Includes data for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Zurich, etc.

Other Dollar Values

Table showing various dollar values and exchange rates for different currencies and regions.

Interest Rates

Table showing interest rates for Eurocurrency deposits, including 1-month, 3-month, 6-month, and 1-year rates for various banks.

Key Money Rates

Table showing key money rates for various financial instruments and currencies.

Asian Dollar Deposits

Table showing Asian dollar deposits for different regions and currencies.

U.S. Money Market Funds

Table showing U.S. money market funds and their performance.

Gold

Table showing gold prices and market activity.

Citicorp Reports Record Net Income in 4th Quarter

NEW YORK — Citicorp, the largest U.S. bank group, reported Tuesday a record net income in the fourth quarter of 1986 and became the first U.S. commercial bank group to top \$1 billion for a single year's net income. Meanwhile, Chase Manhattan Corp. said fourth-quarter net income rose 4.7 percent and net income for the year rose 3.6 percent, while Manufacturers Hanover Corp. said net income fell 30 percent in the quarter and 7.4 percent for the year.

Citicorp said its fourth quarter net income rose 26 percent to \$306 million, or \$2.03 a share, from \$243 million, or \$1.69 a share, in the fourth quarter of 1985. For the whole of 1986, net income increased 6 percent to \$1.06 billion, or \$7.14 a share, from \$998 million, or \$7.12 a share in 1985.

The individual banking sector showed a 49 percent jump in net income to \$130 million in the fourth quarter from \$87 million a year earlier, reflecting increasing market share gains in the credit card business and the New York branch system.

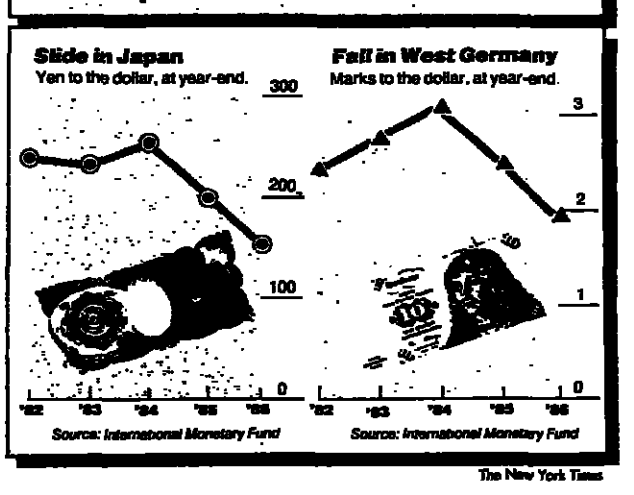
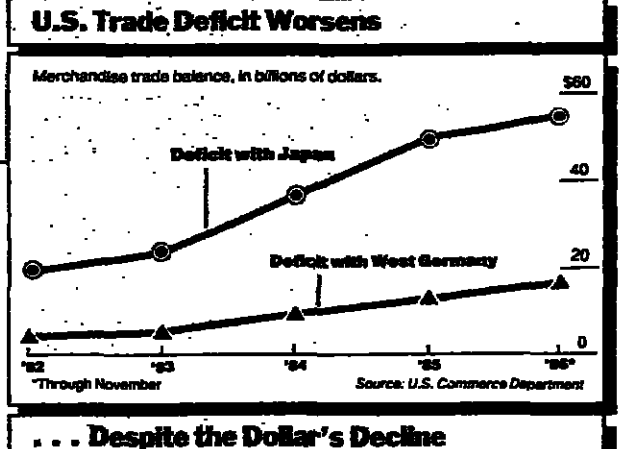
Domestic mortgage operations also improved, as did private banking and most overseas activities. Institutional and investment banking operations also contributed to the overall increase, although some of this was related to one-time tax-related gains in the leverage leasing area, which produced a \$38 million net addition to fourth-quarter earnings. In investment banking, higher gains in venture capital, foreign-exchange trading, securities investments and fees and commissions

were offset by lower securities trading revenues and higher expenses. Citicorp's net loss of \$8 million on information business in 1985 widened to \$34 million in 1986, primarily because of costs related to the acquisition of Quotron Systems Inc.

Citicorp's aggregate loan-loss provisions grew 29 percent to \$508 million in the fourth quarter from \$394 million a year earlier. Chase Manhattan Chase Manhattan, the third largest U.S. bank group, said that net income in the fourth quarter rose 4.7 percent to \$157.8 million, or \$1.74 a share, a year earlier. It said that net income for the whole of 1986 rose 3.6 percent to \$585.4 million, or \$6.63 a share, from \$564.82 million, or \$6.39 a share, in 1985.

In other fourth quarter results, Security Pacific's net income rose 21 percent to \$104.6 million, or \$1.31 a share, from \$86.1 million, or \$1.13 a share, a year earlier; Bankers Trust rose 1.2 percent to \$97.5 million, or \$1.39 a share, from \$96.3 million, or \$1.37 a share; Wells Fargo rose 6 percent to \$78.4 million, from \$74 million; Bank of Boston rose 48 percent to \$64.8 million from \$43.8 million.

Elsewhere, Texas Commerce Bancshares Inc. posted a loss of \$21 million in the fourth quarter, compared with a \$29 million loss a year earlier. For the year, net income fell to \$20 million, or \$1.62 a share, from \$53 million, or \$4.21 a share, in 1985. In other fourth quarter results, Security Pacific's net income rose 21 percent to \$104.6 million, or \$1.31 a share, from \$86.1 million, or \$1.13 a share, a year earlier; Bankers Trust rose 1.2 percent to \$97.5 million, or \$1.39 a share, from \$96.3 million, or \$1.37 a share; Wells Fargo rose 6 percent to \$78.4 million, from \$74 million; Bank of Boston rose 48 percent to \$64.8 million from \$43.8 million.



They also are tightening their belts and producing products at even more competitive prices. What this means is that selling U.S.-made products at home and abroad is a tougher challenge than many envisioned. As a result, the widely held view that a weaker dollar can cure America's imbalance in trade with Japan and other nations is now being questioned, even as the dollar plunges on world markets. "It's like grabbing the horn to stop a bull," said Gilbert Benz, an economist with A. Gary Shilling & Co. in New York. A Department of Commerce trade analyst acknowledged that the Reagan administration's currency policy has yielded disappointing results so far. "To be honest, we really

Fed Doubts Bradley Latin-Debt Plan

Washington Post Service WASHINGTON — Granting major Latin American debtor nations relief on their principal and interest payments for the next three years, as proposed by Senator Bill Bradley, would hurt U.S. bank profits without helping debtor nations much, according to an analysis prepared by the Federal Reserve Board. Paul A. Volcker, the Federal Reserve chairman, said in a letter to the New Jersey Democrat that, "for the foreseeable future, the forgiveness of principal is largely irrelevant" because most debtor nations are not being required to pay back principal in the near term. Most debtor nations are paying only interest.

But a debt-relief plan would cause "significant reductions in reported earnings at banks" because the banks would record the debt relief as a loss, Mr. Volcker said. The Federal Reserve did an analysis of the effect on the U.S. banking system of various forms of debt relief at the request of Senator Bradley and Representative Charles E. Schumer, Democrat of New York. The forms ranged from minimal

diminution of the profit margin that banks tack on to their cost of funds — to forgiveness of 30 percent or more of the outstanding principal during the next decade. Senator Bradley has proposed a three-year plan that would reduce the principal outstanding by 3 percent points a year and give interest-rate concessions to countries that undertook measures to reform their economies. The Fed analysis said the Bradley plan, if carried out to the fullest for 10 Latin American debtors, would take about \$14.9 billion off the \$165.5 billion that Latin American governments and banks owe foreigners. In the next 10 years, the Bradley plan would reduce the earnings of

the nine biggest U.S. banks by \$9.6 billion and of 15 smaller U.S. banks by \$2.5 billion. The analysis did not measure the effect on European and Far Eastern banks, which have lent far more money to Latin America than have U.S. banks. In an interview, Senator Bradley said he did not believe that the Federal Reserve study cast doubt on the usefulness of his plan. He said the Fed analysis presents what should be described as a "worst-case scenario" in which every debtor nation in Latin America gets the full forgiveness of interest and principal proposed in his plan. Even then, he said, big bank earnings would be reduced at most by half.

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Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

(Continued)

Table of stock prices including companies like IBM, AT&T, and various other firms with their respective prices and volume.

Table of stock prices for companies like TDK, Intel, and others, continuing the list from the previous section.

Table of stock prices for companies like IBM, AT&T, and others, continuing the list from the previous section.

Table of stock prices for various international companies, including those from Europe, Japan, and other regions.

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U.S. Futures

Via The Associated Press

Jan. 20

Session: High Low Open High Low Close Chg.

Grains

Table of grain futures prices including Wheat, Corn, and Soybeans.

Food

Table of food futures prices including Coffee, Cocoa, and Sugar.

Metals

Table of metal futures prices including Copper, Aluminum, and Zinc.

Livestock

Table of livestock futures prices including Cattle and Hogs.

Currency Options

Table of currency option prices for various international currencies.

Philadelphia Exchange

Table of Philadelphia Exchange prices for various commodities.

NYSE Highs-Lows

Table of NYSE Highs-Lows for various companies.

Municipal Bonds

20-Year High Low Close Chg.

10-Year High Low Close Chg.

5-Year High Low Close Chg.

2-Year High Low Close Chg.

1-Year High Low Close Chg.

6-Month High Low Close Chg.

3-Month High Low Close Chg.

1-Month High Low Close Chg.

30-Day High Low Close Chg.

15-Day High Low Close Chg.

7-Day High Low Close Chg.

3-Day High Low Close Chg.

1-Day High Low Close Chg.

15-Minute High Low Close Chg.

5-Minute High Low Close Chg.

1-Minute High Low Close Chg.

30-Second High Low Close Chg.

15-Second High Low Close Chg.

5-Second High Low Close Chg.

1-Second High Low Close Chg.

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BUSINESS ROUNDUP

Steel No Longer No. 1 at Klöckner

By Ferdinand Proczman
International Herald Tribune
FRANKFURT — Klöckner-Werke AG said Tuesday that group sales slipped 1.6 percent in fiscal 1986...

Klöckner did not release profit figures, but stock market analysts in Frankfurt said they expected net profit to be little changed from the previous year's 35 million DM.

BTR Drops Pilkington Bid, Citing 'Commercial Reasons'

The Associated Press
LONDON — BTR PLC, the industrial conglomerate, said Tuesday that it was dropping its offer to buy Pilkington Brothers PLC.

BTR closed at 294 pence, up 5 pence from 289 Monday. BTR cited "commercial reasons" for its decision to allow the bid for Pilkington...

Honda Says Net Declined 49.4% In 3d Quarter

Compiled by Our Staff From Dispatches
TOKYO — Honda Motor Co. reported Tuesday a 49.4 percent decline in net income in the third quarter of its business year ended in November.

But critics said it posed "public interest" conflicts. Pilkington, which employs workers in the economically depressed north of England, has a reputation for performing community service.

Packer Sells Media Interests To Bond Corp.

Compiled by Our Staff From Dispatches
SYDNEY — Kerry Packer has sold his Australian television and radio networks and his interest in the British television company TV-AM to Alan Bond, a Packer executive said Tuesday.

DEC Unveils Big Computers Competing With IBM Models

Compiled by Our Staff From Dispatches
NEW YORK — Digital Equipment Corp. unveiled on Tuesday two mainframe computers that it said were the most powerful systems it has offered.

Digital has been challenging IBM strongly in midsize computers, but IBM continues to have about 80 percent of the market for the biggest computers, where it enjoys its largest profit margins.

COMPANY NOTES

Emess Lighting PLC, a British manufacturer of lighting equipment, will make a recommended bid for Tenby Industries PLC that will be accepted by BSR International PLC, which holds a 40 percent stake.

Montedison SpA has acquired a 51 percent stake in Arturo Jungmans SpA, an Italian military equipment company, from Deshi Group of West Germany.

FINANCE
Advertise in the Magazine That Reaches the Top Levels of Decision in Latin America
The leading business magazine circulated in Latin America today, reporting exclusively on matters of Global Trade, New Technology, Business Opportunities—and the management of personal wealth.

Herald Tribune
100th Anniversary
2 for 1
Take advantage of our special rates for new subscribers and we'll give you an extra month of Tribs free for each six months you subscribe.

Lagerfeld and Revillon Sign Accord On Worldwide Marketing, Licensing
PARIS — The designer Karl Lagerfeld and Revillon SA, the French fur, accessories and perfume concern, announced Tuesday a worldwide licensing and marketing partnership for all Lagerfeld activities apart from perfumes.

INTERNATIONAL BUSINESS OPPORTUNITIES
REVLOX
made in the U.S.A.
H.D.R. SHAMPOO and CONDITIONER
We have a stock of approx. 50,000 doz. 7 oz. (approx. 200 ml size) half in shampoo, half in conditioner for sale.

Why shift back and forth among their paper currencies, when you can secure your assets in gold?
World leaders are constantly talking up or talking down their currencies. But for centuries, even millennia, the overall trend has always been up. And always will be.

Tuesday's AMEX Closing

Tables include the following prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table A: AMEX Closing prices for various stocks including ACI Mid, ACI Low, ACI High, etc.

Table B: AMEX Closing prices for various stocks including 2 1/2% BTP, 2 1/2% BTP, etc.

Table C: AMEX Closing prices for various stocks including 2 1/2% BTP, 2 1/2% BTP, etc.

Table D: AMEX Closing prices for various stocks including 2 1/2% BTP, 2 1/2% BTP, etc.

Table E: AMEX Closing prices for various stocks including 2 1/2% BTP, 2 1/2% BTP, etc.

Table F: AMEX Closing prices for various stocks including 2 1/2% BTP, 2 1/2% BTP, etc.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 20 Jan. 1987. Table listing various international funds and their performance.

Table listing various international funds and their performance.

Japan Reports 30% Fall In Foreign Ship Orders. TOKYO — Foreign shipbuilding orders set a post-war record low in volume last year, the Japan Ship Exporters' Association said Tuesday.

Table listing various international funds and their performance.

Floating-Rate Notes. Table listing floating rate notes and their details.

Table listing floating rate notes and their details.

Table listing floating rate notes and their details.

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

Vertical advertisements on the right side of the page, including 'CURRENCY MARKET', 'EUROMARK', and 'OTC'.

CURRENCY MARKETS

DOLLAR: Baker, Japanese Finance Minister to Meet

(Continued from Page 1) ... feeling he could gain such a ... Mr. Miyazawa said Monday that U.S. Treasury officials have confirmed that U.S. policy is not to ...

London Dollar Rates

Table with columns: Closed, TWA, MA, and rows for Deutsche mark, French franc, Japanese yen, Swiss franc, British pound.

The dollar was higher against other major currencies in New York and Europe. In New York it rose to 6.1355 French francs from 6.0775 Monday ...

France Reports Small Surplus in Foreign Trade

PARIS—France ended 1986 with a small surplus in the merchandise trade of 484 million francs (\$79.87 million), in line with government forecasts, the Finance Ministry said Tuesday.

BUSINESS PEOPLE

Hewlett-Packard Founder to Retire

By Arthur Higbee International Herald Tribune William R. Hewlett, who founded Hewlett-Packard Co. with David Packard in 1939, will retire as vice chairman effective Feb. 24, the company has announced.

Cockerill to Get Gandois Back

BRUSSELS—Jean Gandois, the Frenchman who in 1983-85 reorganized the ailing government-controlled Belgian steel company, Cockerill Sambre SA, will return there as part of an agreement between Belgium and France.

THE EUROMARKETS

Secondary Market Firmer on Dollar Talks

LONDON—Prices in the secondary market closed slightly firmer Tuesday as investors expressed confidence that coming U.S.-Japanese currency talks would produce an agreement to stabilize the dollar.

YEN: U.S. Customers Find Rise in Japanese Currency Breaks Textbook Rules About Prices

(Continued from first finance page) the dollar. The other countries had their own reasons to cooperate with the United States. Their fortunes are linked to a healthy U.S. economy, and they fear the growing congressional sentiment to restrict imports.

Kellner, chief economist with Manufacturers Hanover in New York. In 1985, for example, the United States bought about \$72.4 billion worth of products from Japan, while selling the Japanese \$22.6 billion worth for a trade deficit of about \$50 billion, according to the Department of Commerce.

tries, including autos, because of the yen. And companies are scrambling to cut costs, frequently relying on suppliers in South Korea, Hong Kong and other offshore locations where the labor is cheaper.

Tuesday's OTC Prices NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table A: OTC Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., and 4 P.A. Chg.

Table B: OTC Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., and 4 P.A. Chg.

Table C: OTC Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., and 4 P.A. Chg.

Table D: OTC Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., and 4 P.A. Chg.

Table E: OTC Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., and 4 P.A. Chg.

Table F: OTC Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., and 4 P.A. Chg.

Table G: OTC Prices listing various stocks with columns for 12 Month High, Low, Stock, Div. Yld., and 4 P.A. Chg.

General ... treated his ...

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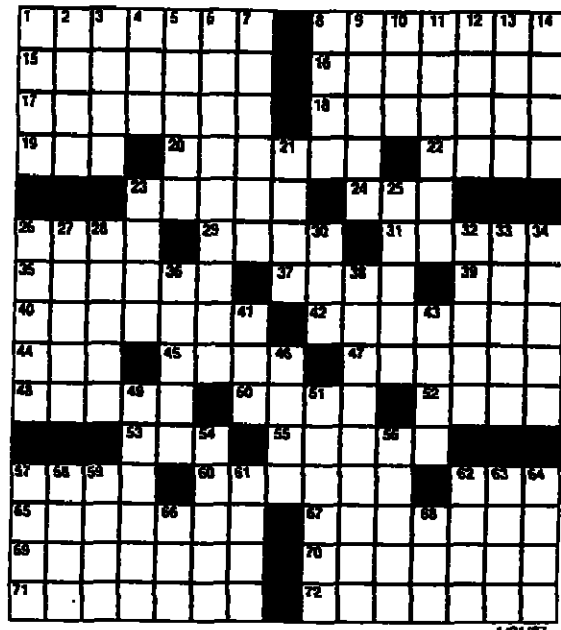
citizenship

the Alabama ... George Wallace Jr. after serving four terms in four times for prison

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... the Alabama ... George Wallace Jr. after serving four terms in four times for prison

... the Alabama ... George Wallace Jr. after serving four terms in four times for prison



ACROSS

1 Sparkled
8 "The Always Rings Twice": Cain
15 Federal Bank
16 So-so
17 Part of a monogram
18 Withdraws
19 A.M.A. members
22 Letter ending "we forget"
23 Top-drawer
24 Arabic word for hill
26 Part of a Hope-Crosby film title
29 Sell
31 Fireplace residue
35 State (New York)
37 Exciting flavor
40 Fruitful
42 Medley
44 Concert
45 Org
47 Sex
48 Gumut
50 Show's companion

DOWN

1 Forbidding
2 Give temporarily
3 Ossia's sister
4 Bottom line
5 Test
6 With equivocation
7 Erase
8 Peel
9 Open
10 Defeat a bridge contract
11 Bird songs
12 Stable mate
13 Eons
14 Aerie, e.g.
21 Air hole

52 Phoenician seaport
53 "Born in the 25"
55 Forays
57 Laugh-getters
60 Surrey topping
62 D-H connection
65 Stir
67 Basic
69 Alkin
70 Trap
71 Silk hats
72 Texas' hat

23 Prepare for publication
25 Golf thrill
26 Allude (to)
27 Alpha's
28 Bib's cousin
29 Close by
33 "The Sucktion": Trevanian
34 Cubic meter
36 Stands up
38 Careless
41 Superlative ending
43 Leaf cutters
46 Actress Garr
48 Composer
49 Mahler
51 Jousters' weapons
54 Later
56 Thick
57 Awake
58 Author James
59 River or mooster
61 Beauty film
62 Times
63 Gambling game
64 Valley
65 Dined
68 Explosive

PEANUTS



BLONDIE



BETLE BAILEY



ANDY CAPP



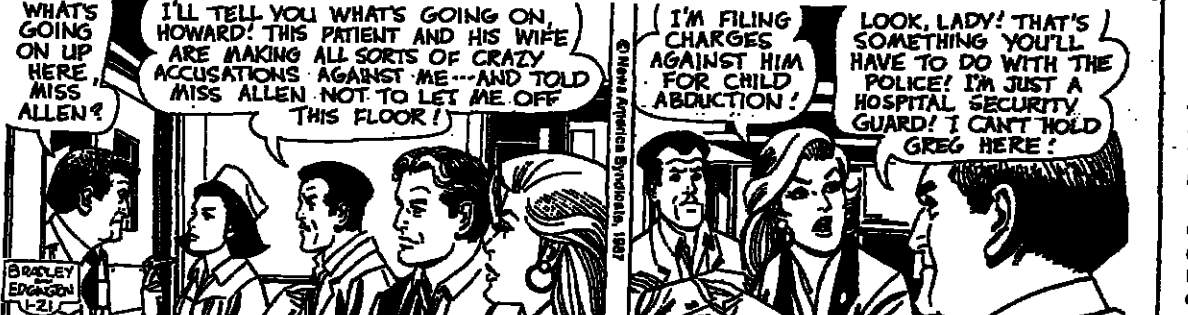
WIZARD OF ID



DENNIS THE MENACE



REX MORGAN



GARFIELD



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

He left nothing but debts

WHAT THE SPEND-THRIFT ENDED UP MAKING.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

ANSWER: HIS "MOUNT QUOTA ALBURN CAUGHT" CUT HIS OWN THROAT

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	10	5	Beijing	10	5
Austria	10	5	Bombay	10	5
Belgium	10	5	Buenos Aires	10	5
Canada	10	5	Calcutta	10	5
France	10	5	Chongqing	10	5
Germany	10	5	Delhi	10	5
Greece	10	5	Hankow	10	5
India	10	5	Harbin	10	5
Italy	10	5	Hong Kong	10	5
Japan	10	5	Kobe	10	5
Spain	10	5	Manila	10	5
U.S.A.	10	5	Osaka	10	5
U.S.S.R.	10	5	Shanghai	10	5
U.K.	10	5	Tientsin	10	5
W. Africa	10	5	Yokohama	10	5
W. Europe	10	5			

World Stock Markets

Via Agence France-Press Jan. 20

Closing prices in local currencies unless otherwise indicated.

Market	Index	Change
Amsterdam	329.20	+0.20
Buenos Aires	1000.00	+10.00
London	2720.00	+10.00
Paris	1200.00	+10.00
Sydney	1500.00	+10.00
Zurich	1800.00	+10.00

Stocks

Company	Price	Change
Amoco	45.00	+0.25
AT&T	120.00	+1.00
Boeing	80.00	+0.50
IBM	150.00	+1.50
Microsoft	60.00	+0.75
Oracle	40.00	+0.50
Qatar	10.00	+0.10
Shell	30.00	+0.20
Wells Fargo	25.00	+0.15

BOOKS

THE PANIC OF '89
By Paul Erdman. 304 pages. \$17.95.
Doubleday, 245 Park Avenue, New York, N. Y. 10167.

THE ROPESPINNER CONSPIRACY
By Michael M. Thomas. 433 pages. \$18.95.
Warner Books, 666 Fifth Avenue, New York, N.Y. 10103.

Reviewed by John Gross

THE banking system comes under savage assault from two different directions this month — in Paul Erdman's "Panic of '89" and Michael M. Thomas's "Ropespinner Conspiracy." In each case it survives, but only just.

As the author of such novels as "The Crash of '79" and "The Billion Dollar Sure Thing," Erdman is a leading exponent of the block-busting financial melodrama. This time he has set his story some two years from now. The current administration is on its way out, and a newly elected Democratic president is waiting in the wings; meanwhile, the price of oil is plunging and several major Third World governments are threatening to default on their debts.

It is against this troubled background that a group of conspirators converges in an attempt to engineer a devastating run on the banks. Does it matter that the characters in "The Panic of '89" are pure plastic? Not necessarily; the plot — the first consideration in this kind of story — is potentially an exciting one, and it draws on readily aroused fears that it wouldn't take much for the world economy to lurch out of control.

No, the real trouble is Erdman's inability to put his political and economic points across in a plausible fictional manner. Instead, he has his money men constantly lecture one another about the ABCs of their trade. The effect is to make everyone in the book talk as though everyone else were slightly slow-witted.

"The Ropespinner Conspiracy" is a far more sophisticated piece of work. The story opens in the 1930s, with Soviet intelligence setting out to plant an agent at the very heart of capitalism in order to hasten its destruction from within. Fartetched? Perhaps; but Michael M. Thomas can cite at least a partial precedent

from real life, Anthony Blunt's attempt, which was at Cambridge, to recruit Michael Straight to serve as a future Wall Street mole. (Straight's father had been a partner in J.P. Morgan.) And in any case, Thomas's chief concern in the story is to demonstrate not so much Soviet skulduggery as capitalism's greedy acquisitiveness in its own dooms.

There is a sense of genuine anger swirling around in "The Ropespinner Conspiracy," an anger directed against the contemporary paper economy, the speculators who profit from it and the bankers who (in Thomas's view) have made it possible by abandoning traditional safeguards. The story generated plenty of tension, and it is anchored in a series of well-documented and well-observed settings.

John Gross is on the staff of The New York Times.

BEST SELLERS

Rank	Title	Author
1	RED STORM RISING	Tom Clancy
2	IT	Stephen King
3	WHITE FUR	James Clavell
4	A TASTE FOR DEATH	P.D. James
5	THE PRINCE OF TIDES	Pat Conroy
6	HOLLYWOOD HUSBANDS	Janice Radway
7	FLIGHT OF THE INTRUDER	Stephen Cooney
8	WANGRELUST	Danilo Seid
9	FOUNDATION AND EARTH	Isaac Asimov
10	NIGHT OF THE FOX	Jack Higgins
11	THE GOLDEN CUP	Salva Panu
12	THE BEST QUEEN	Louise Erlich
13	A PERFECT STRY	John G. Hart
14	THROUGH A GLASS, DARKLY	Karen Koen

Solution to Previous Puzzle

S	H	I	P	S	C	O	C	O	M	E	R	O			
L	E	G	I	T	A	R	O	W	I	L	T				
A	R	E	N	A	B	E	L	L	I	R	A				
W	A	T	E	R	M	I	L	L	A	L	T	E			
T	A	M	L	Y	S	T	A	N	A	L	C	H	E	M	Y
B	R	I	D	E	R	O	M	A	N	C	E	D			
A	N	N	A	E	B	E	R	S	D	O	V	E			
R	A	N	C	H	E	R	O		A	S	P	I	C		
K	I	L	O		L	O	N	E	L	K					
S	L	O	W	E	S	T	I	L	I	A					
C	C	L	A	S	H	A	N	D	S	B	A	C	K		
A	D	I	T	B	E	N	D	E	A	T	E	N			
R	E	V	E	A	R	T	E	E	C	O	L	E			
V	I	S	E	R	A	S	S	N	D	A	N	T	E		

BRIDGE

By Alan Truscott

THE current representative of New York City's American Contract Bridge League, elected recently to a second term is Ira Zippert, who demonstrated on the diagrammed deal, a Chicago game, that he can be a skillful card player when his administrative duties permit.

When his one-spade opening bid was raised Zippert as South brushed aside East's takeout jump to four spades. This was apparently hopeless, but it had two advantages: it prevented East-West from reaching a four-heart contract that would no doubt have succeeded; and the "hopeless" four spade game was made.

West led the heart jack and East took the ace. A low diamond was returned and South ducked. West won and needed to make a key play. He should have placed East with the club ace, partly because East needed that card to justify his takeout double, and partly because if South held that card, there was no hope for the defense.

When West failed to lead the club king, by no means an obvious move, Zippert was in control although he did not know it. He won the diamond return with the ace, drew trumps, cashed the heart king for a diamond discard and ruffed a heart.

This completed the strip play. There were no more red cards in the North-South hands, and Zippert led a club announcing "I'm making it." This was a singleton club honor.

And there was. West had to win and give a ruff and shuff, so the club loser from the closed hand disappeared. West was left to discover in the post-mortem that he would have done better, in practice by bidding five hearts. That contract would have failed by just one trick barring an unlikely diamond lead to establish a ruff in that suit.

NORTH	EAST
♠ A 7 8 3	♠ 9
♥ 5 4 1	♥ Q 2
♦ 10 8 7 3	♦ K 10 8 6
♣ Q J 10 7	♣ A 10 8 5 4

Market	Index	Change
Amsterdam	329.20	+0.20
Buenos Aires	1000.00	+10.00
London	2720.00	+10.00
Paris	1200.00	+10.00
Sydney	1500.00	+10.00
Zurich	1800.00	+10.00

WEDNESDAY'S FORECAST - CHANNEL 5

TEMPERATURE: 40-50

WIND: 10-15 mph

PRECIPITATION: 0.00 inches

RELATIVE HUMIDITY: 60-70%

SEA LEVEL PRESSURE: 1013.0 mb

WIND CHILL INDEX: 35-45

HEAT INDEX: 40-50

WINDY FEELS LIKE: 30-40

WINDY FEELS LIKE: 40-50

WINDY FEELS LIKE: 50-60

WINDY FEELS LIKE: 60-70

WINDY FEELS LIKE: 70-80

WINDY FEELS LIKE: 80-90

WINDY FEELS LIKE: 90-100

SPORTS

Kookaburra III Eliminates Australia IV After Bond's Boat Bungles Start of Race

By Sid Moody

The Associated Press

FREMANTLE, Australia — Kookaburra III won the America's Cup defender role Tuesday, eliminating Australia IV and ending syndicate chief Alan Bond's hopes of sailing for the trophy he won from the United States in 1983.

Kookaburra III beat Bond's yacht for the fifth straight time after a bungled start by Australia IV's skipper, Colin Beashel.

Peter Gilmore, who handles the stars on Kookaburra III for helmsman Iain Murray, forced Beashel to circle to avoid hitting the committee boat just before the start. Beashel never recovered from the 36-second deficit and lost the race by 56 seconds. Kookaburra III had no trouble with Australia IV in the light, 12-14 knot winds.

So there will be no replay of the dramatic 4-3 match that brought the cup Down Under from Newport, Rhode Island, when Bond's Australia II beat America's Liberty and helmsman Dennis Conner.

Conner, then skipper for the New York Yacht Club, which had held the cup for 132 years in sport's longest unbeaten streak, made the final Monday by eliminating New Zealand, 4-1. Conner now sails Stars & Stripes for the San Diego Yacht Club.

Kookaburra III still has to survive a selection process against Kookaburra II, both owned by Bond's fellow Perth millionaire, Kevin Parry.

Kookaburra II had been eliminated in the defender series semifinals, but a Bond-Parry deal with the Royal Perth Yacht Club, which actually holds the cup, stipulated that it be tested against the winner of the best-of-nine defender final.

How the two Kookaburras will be evaluated has not been decided. Australia IV's defeat by a quicker Kookaburra III may be the end of Bond's America's Cup campaigns, which began in 1974. He has said he would not be a candidate in 1990, when the next challenge can be made, but a defiant declaration made later seemed to contradict the earlier statements.

As he was being honored after the race by the Royal Perth Club, Bond congratulated Parry and said, "We won it, Kevin. Don't you lose it."

Then, at the club annex in the harbor, he told a large crowd of dockside well-wishers: "If Kevin doesn't defend the cup, we'll go and get it back for you."

At a joint news conference later, Parry retorted that "I don't think the boxing kangaroo," Bond's symbol, "belongs to you or the Kookaburras to us. The fact is that you

weren't good enough. It's just a fact of life.

"I don't think it's necessary to stand up at the Royal Perth Yacht Club and say, 'We won it. If you lose it, we'll have to get it back.' I think that's childish, unnecessary and not worthy of your previous effort."

Warren Jones, Bond's spokesman, who upset Parry 10 days ago by calling the Kookaburra camp "dingoes" because of its frequent race protests, said, "It takes a tough syndicate to roll us over and the fact force, the Kookaburras, 'rolled us over fair and square and we'll take it right on the chin.'"

As for the upcoming race, Beashel said he "wouldn't want to say which is the better boat" between Kookaburra III and Stars & Stripes. "Both are very competitive."

"Hopefully," said Murray, "Conner still has his Achilles' heel: sailing in light air."

He added that "I've never met big bad Dennis, but I certainly admire his sailing skill."

"I hope his street dragger won't be able to burn our Ferrari off," Murray said, alluding to Stars & Stripes' extraordinary straight-line speed.

Meanwhile, Prime Minister Bob Hawke wired Parry to say he hoped the Kookaburras, named for a bird known for its laughing call, would "have the last laugh."

Kookaburra III made a more sedate landing than Stars & Stripes had 24 hours earlier after eliminating New Zealand.

The Australia crews shook each others' hands as the yachts tied up alongside each other, and Bond's men gave a hip-hip-booyah for their conquerors.

While horns and whistles shrilled, champagne was brought out. But the Aussies toasted with it instead of pouring it over each other as the Americans had done.

Whichever Kookaburra is selected, the best-of-seven final against Stars & Stripes is due to start Jan. 31.

Upset Becker Also Loses in Tennis Open

The Associated Press

MELBOURNE — Unseeded Australian Wally Masur scored a stunning upset Tuesday of Boris Becker to advance to the men's quarterfinals of the Australian Open tennis championships, as the 31-year-old Wimbledon champion not only the match but his set and temper.

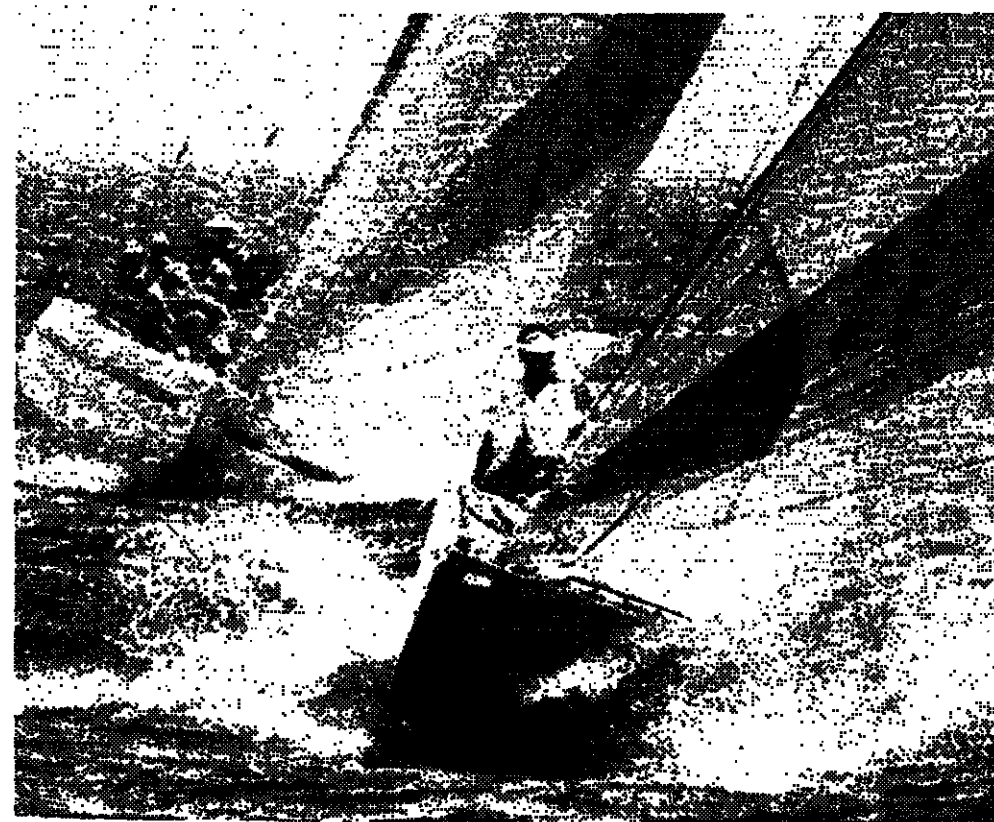
Masur, 23, who is ranked 71st in the world, defeated the 19-year-old German's booming serve for 6-7 (7-3), 6-4, 6-7 (9-11), 6-2 set in a 3-hour, 40-minute contest.

Pat Cash of Australia, the 11th seed, advanced with a 6-4, 6-1, 6-7 (7-3), 6-2 triumph over Paul Vasconcelos of the United States and will play third-seeded Yannick Noah. The Frenchman rallied down No. 14 Tim Wilkison of the United States, 4-6, 4-6, 6-3, 6-4.

Masur will next play another unseeded player, Kelly Evernden of New Zealand, who ousted Derrick Stagno of the United States, 6-7 (7), 6-2, 6-4, 5-7, 7-5.

There also was an upset in the men's singles, as 10th-seeded Larina Lindqvist of Sweden beat No. 3 Pam Shriver of the United States, 6-3, 6-1, to move to the semifinals against top-seeded Martina Navratilova, a 6-0, 6-0, winner over No. 7 Zina Garrison of the United States.

Lindqvist, a baseliner who became the first Swedish woman to win a Grand Slam tournament final, hit a succession of pass-shots to frustrate Shriver, who never won a Grand Slam singles title but has teamed with Nav-



Kookaburra III led Australia IV around the windward mark en route to a 55-second victory, ending Alan Bond's hopes of defending the America's Cup against Stars & Stripes.

ratilova to win 14 women's doubles crowns.

Second-seeded Hana Mandlikova of Czechoslovakia, the 1980 Australian Open women's champion, routed No. 8 Lori McNeil of the United States, 6-0, 6-0, and next will play No. 5 Claudia Kohde-Kilsch of West Germany, a 7-6 (7-3), 4-6, 6-2 winner over unseeded Australian Elizabeth Smylie.

Masur, who was unable to gain a starting spot on the Australian Davis Cup team last year, outplayed Becker in the final set after he had

squandered three match points in the tense fourth-set tie breaker.

When Becker broke to lead 2-0 in the final set, he appeared set to cruise to victory. But Masur played some of his finest tennis of the day and Becker's resolve crumbled.

"He had me in the bag," Masur said. "Then he let the crowd rattle him a little and I kept my head."

Becker was involved in a number of temperamental outbursts during the match and was given warnings by umpire Wayne Spencer for being coached from the sideline and delaying play. Becker escaped cen-

sure for angrily smashing his racket on a number of occasions and for hitting a ball into the crowd.

"I couldn't serve or return, and suddenly I started to lose my cool," he said. "Then I got bad calls. It made me completely crazy."

"I got upset. I missed my break points and easy shots. Wally is steady. You have to beat him, and I didn't."

The defeat was Becker's second successive disappointment on the grass courts at Kooyong. He was beaten by Michiel Schapers of the Netherlands in the second round of the last Australian Open, which was played in December 1985.

Masur held two match points against eventual champion Stefan Edberg of Sweden in that open berth losing.

"When I lost the fourth set, I was thinking it would be 1985 revisited," Masur said. "My head was starting to hang a little, but I knew I had to be positive."

Masur's nerve held, while Becker's failed him. The West German served 16 double faults, among them those on the final two points of the match and on break points in the third and fourth sets.

Earlier, the 21-year-old Cash had survived an exhilarating comeback by Annacore, ranked 43d in the world, before regaining his power-

ful serve in the final set. Their match, on the court on which Cash led Australia to victory over Sweden in the Davis Cup final last month, took 3 1/2 hours.

Mattingly Files Record Salary for Arbitration

By Murray Chass

New York Times Service

NEW YORK — Don Mattingly, generally regarded by baseball people as the best player in the major leagues, surprised a lot of baseball people Monday by filing a figure of less than \$2 million for salary arbitration with the New York Yankees. Dwight Gooden, who was the New York Mets by handing in a salary nearly \$500,000 greater than his figure.

Mattingly's \$1,975,000 was the highest figure ever accepted by a player for arbitration, the Yankees' \$1.7 million the highest filed by a team. But their first man had been expected to try for \$2 million or so, and was given an excellent chance of winning, socially in light of the Yankees' \$1.7 million figure.

In Rice of Boston and Eddie Murray of Baltimore, the Yankees' best, will earn more than \$2 million at the end of the season, and Mattingly's performance last season led over the past three compared favorably with them. "It's just something we went through and reviewed

and discussed and that's what we ended up with," Jim Krivacic, Mattingly's agent, said.

Mattingly, who last season earned a \$1,375,000 salary that was negotiated on the eve of his arbitration hearing, was one of eight players who submitted figures greater than \$1 million. Jack Morris of Detroit and Wade Boggs of Boston were at \$1.85 million, Gooden at \$1.8 million, Jesse Barfield and George Bell of Toronto at \$1.35 million and \$1,325,000, respectively, Orel Hershisser of Los Angeles at \$1.1 million and Ron Darling of the Mets at \$1.05 million.

Several players say their clubs submit cuts for 1987, including Hershisser, who gained a \$1 million salary in arbitration a year ago. He had a 19-3 record in 1985, but was 14-14 last season, and the Dodgers put in at \$800,000, the maximum 20 percent cut. Hershisser sought a \$1,000,000 raise.

The most unusual numbers were those submitted by Atlanta and pitcher David Palmer. Each put in \$725,000, which means they don't have to do anything else. The Braves' figure surprised Palmer because it was \$225,000 greater than their last offer in negotiations.

SCOREBOARD

Hockey

NHL Standings

WALDES CONFERENCE

Pacific Division

Table with 4 columns: Team, W, L, T, Pts. Rows include Vancouver, Calgary, Edmonton, and others.

Adams Division

Table with 4 columns: Team, W, L, T, Pts. Rows include Montreal, Toronto, Boston, and others.

CAMPBELL CONFERENCE

Metropolitan Division

Table with 4 columns: Team, W, L, T, Pts. Rows include New York, Philadelphia, Washington, and others.

Monday's Results

Table with 4 columns: Team, Score, Goals, Assists. Rows include Toronto vs Montreal, New York vs Philadelphia, etc.

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Table with 4 columns: Team, W, L, Pct., Pts. Rows include Boston, Philadelphia, Washington, and others.

Central Division

Table with 4 columns: Team, W, L, Pct., Pts. Rows include Detroit, Milwaukee, Chicago, and others.

WESTERN CONFERENCE

Midwest Division

Table with 4 columns: Team, W, L, Pct., Pts. Rows include Dallas, Houston, Denver, and others.

Pacific Division

Table with 4 columns: Team, W, L, Pct., Pts. Rows include Portland, Golden State, Phoenix, and others.

Basketball

College Top-20 Ratings

The top 20 teams in the Associated Press college basketball poll (100-point votes, based on 10-18-86 poll) records: records through Jan. 18 and last week's rankings:

Table with 4 columns: Rank, Team, W, L, Pct., Pts. Rows include Duke, North Carolina, Indiana, and others.

Table with 4 columns: Rank, Team, W, L, Pct., Pts. Rows include Michigan State, Kansas, Georgetown, and others.

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Transition

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Agreed to a one-year contract with Mike Young, outfielder.

MILWAUKEE—Traded Dave Jensen, catcher, to Atlanta for Brad Karnahan, outfielder.

TEXAS—Toby Harris, infielder, traded with Houston for Charlie Frazier of the Gulf Coast League.

NATIONAL LEAGUE

CHICAGO—Sold their Larry Cox, manager, and Dick Pata, coach, but retained of low American Association, Normie Jim Esposito manager of Pittsburgh, Eastern League.

NEW YORK—Signed Steve Heston, manager, of Columbus, South Atlantic League, and Jim Tracy manager of Florida, Midwest League, and Tom Spencer manager of Geneva, New York-Pennsylvania League.

MONTREAL—Signed Mike Fitzgerald, catcher, to one-year contract and Dave Enns, catcher/outfielder, to minor-league contract.

MIAMI—Signed Steve Heston, manager, of Columbus, South Atlantic League, and Jim Tracy manager of Florida, Midwest League, and Tom Spencer manager of Geneva, New York-Pennsylvania League.

ST. LOUIS—Signed Ken Davier and Dave LaPlante, pitchers, to one-year contracts.

HOCKEY

NATIONAL HOCKEY LEAGUE

NEW JERSEY—Signed American Hockey League, Steve Heston, manager, and Jim Tracy manager of Florida, Midwest League, and Tom Spencer manager of Geneva, New York-Pennsylvania League.

AMERICAN HOCKEY LEAGUE

QUÉBEC—Signed Steve Heston, manager, of Columbus, South Atlantic League, and Jim Tracy manager of Florida, Midwest League, and Tom Spencer manager of Geneva, New York-Pennsylvania League.

NATIONAL FOOTBALL LEAGUE

HOUSTON—Signed Kim Hatten offensive line coach.

Zurbriggen Wins Slalom

The Associated Press

ADELBODEN, Switzerland — Pirmin Zurbriggen skied to his 24th World Cup victory Tuesday, teaming with Kjetil André Aamodt to sweep ahead of Swedish veteran Ingemar Stenmark in a giant slalom.

Zurbriggen, the World Cup leader, made his best first run on a tightly set 52-gate course with a 1.241-foot (376-meter) drop. He overcame minor slips in the top part of the second run for a winning total of 2 minutes, 33.82 seconds. It was his sixth victory this season and a repeat of his triumph on the same course a week earlier.

Gaspoz, winner of the slalom at Wengen on Saturday, missed getting his fourth victory this season by 61-hundredths of a second.

Defending World Cup champion Marc Girardelli of Luxembourg dropped out of the second run after placing only 11th in the first.

Der Kaiser demoted Agnolin as a refereeing clown when he wanted taken out of circulation; and whom he certainly never wanted to have in a match involving Germany. Those who have been around the game for a long time will recognize the symptoms: ambitious young manager, used to getting his way in a glorious playing past, seeking a culprit for his damaged rebuilding plan.

"We all enjoy a bit of fun," said the Kaiser, humorously, "but this was taking things too far."

How far does he want to go? Players in his game are now creatures of cheating habit (sorry, gamesmanship). Even FIFA condones it, for that peerless authority officially bows-worships Maradona.

Turning a blind eye to his handled goal at the World Cup, FIFA holds up "King Diego" as the epitome of the "honest professional who crowned his World Cup with 'acceptance'." The media, according to FIFA, should not continue harping about the fisted goal, for "it is not up to the player to disallow such a goal."

FIFA speaks with forked tongue, insisting that the refereeing at the World Cup was excellent. Yet, at least, FIFA stands adamantly (and almost alone) in upholding the referee's role as final.

Society as a whole is caving in to behavior that deserves respect for authority and allows, throughout sports, television to usurp the arbiter's decisions.

American football encourages dissent whenever the officials go into an unseemly huddle while awaiting

It Is Time to Turn Off the Television And Get Back to Real Refereeing

International Herald Tribune

LONDON — High noon in Puebla, an everyday picture of sporting conflict during the World Cup in Mexico.

You are looking at a national hero accepting with mock surprise the lecturing of a referee whose role is to behave as anonymously as possible. A ferocious rainstorm seems to cast a plague on both their houses.

But that is unfair. The Italian referee, Luigi Agnolin, is human and has a right to be incensed by Argentine goalkeeper Nery Pumpido's wasting of time in an attempt to hinder Uruguay's tying the score.

Pumpido's act is called gamesmanship — which in more straight-forward language is cheating. Our world has become quite stupid, quite timid, in tolerating this undermining of the arbiter's authority. More fool us.

Agnolin, in fact, performed well enough in this combative match to be rewarded with the prestigious semifinal that pitted France against West Germany.

He is a strict, sometimes officious man whose whistle does disrupt the free flow of action. Yet could you or I have better controlled the pent up antagonisms between old Latin foes at Puebla? Significantly, the tournament as a whole saw the same number of yellow-card official warnings as goals, 132 in 52 games, and none of Agnolin's seven cautions in the Argentine-Uruguay match seemed excessive.

So who are we, who is Nery Pumpido, to query his methods? The referee and the goalie, each at his sporting pinnacle, hail from different worlds. Pumpido is reaching out for a World Cup bonus of \$50,000, a professional perk that would pay for years of Agnolin's life as a schoolteacher who is receiving \$100 a day living allowances in Mexico.

At 43, the referee has 15 years more experience of life than the mocking goalkeeper. Being a considerable linguist, Agnolin might genuinely have surprised Pumpido: he is a referee capable of having the final word in Italian, English, French and Spanish, but not apparently in German.

For this same man was recently back in the thick of things, and roundly abused by Franz Beckenbauer after West Germany had lost a "friendly" by the score of 4-1 in Vienna. The defeat was Germany's first on Austrian soil in 55 years, and instead of berating his players for their dreadful indiscipline, Herr Beckenbauer blamed Agnolin for sending off Lothar Matthaus for dissent and for calling two "unjustified" penalties against the Germans.

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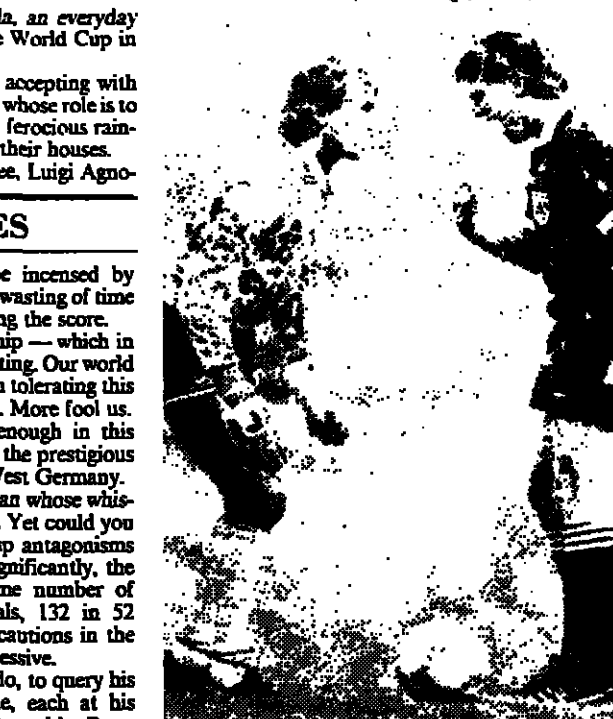
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Referee Luigi Agnolin did not waste time on Argentine goalkeeper Nery Pumpido.

backstage video corroboration of major decisions. Sumo wrestling in Japan discreetly does the same, and cricket — once the gentleman's game — allows test matches in Australia to become disguised by giving spectators, through giant screens at the ground, instant replays of umpiring gaffes.

Last week an umpire was humiliated by a baying crowd after giving the local hero an out. The poor man stood, head bowed, while the video suggested, on replay after replay, that the batsman had not touched the ball. Later, too late to spare the umpire's shame, the batsman himself admitted that the ball had brushed his gloves, and so Mr. Umpire was perfectly correct.

The eye had seen, or the brain had sensed, what the TV lens had missed. But rather than stand up against technological aids that corrupt the spirit (and sometimes the justice) of play, cricket is considering giving its arbiters watch-watches monitors to aid their judgment.

The rest of us are in danger of deferring to reflections in the stands, or tiny ones on the wrist.

Soccer's only sane path is to demonstrate its stringent physical checks on referees, and some evidence of their impartiality and integrity. We have every right to debate and criticize; we should be entitled to less condescending authoritarianism whenever evidence of beat refereeing is offered.

But we, in turn, must accept that referees are human. Their fallibility is part of the game and it is high time we became old-fashioned enough to view mistakes for what they are.

Otherwise we get the referees we deserve. Why, in such a matter, brutally scrutinized arena, should professional men — doctors, lawyers, teachers, printers, floor cleaners — voluntarily and for expenses only have their egos and their honesty laid bare?

Only one referee at the World Cup earns his real living in the new technology that has been sent to judge him. He is Al Bennaceur, a computer scientist from Tunisia, and as fate would have it the unfortunate man who has been saddled for life with the infamy of being known the world over as the referee against whom Maradona conned a fisted goal.

Tennis

Australian Open

MEN

Pat Cash (11), Australia, def. Paul Anagnostou (15), Australia, 6-4, 6-4, 6-4, 6-4.

WOMEN

Caterina Lindqvist (10), Sweden, def. Pam Shriver (3), U.S., 6-3, 6-1.

WOMEN

WOMEN

WOMEN

WOMEN

WOMEN

World Cup Skiing

By agreement with the National Association of Basketball Coaches, teams on NCAA probation are ineligible for top-20 consideration by UPI. Only only such teams this season are Bradley, East Tennessee State and Memphis State.

U.S. College Results

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